

CITY OF KENNER, LOUISIANA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **JAN 25 2012**

Submitted by:

Department of Finance

DUKE P. McCONNELL, CPA
Chief Financial Officer

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1-3
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	4
Selected Officials of the City of Kenner	5
Organizational Chart of the City of Kenner	6
Map of the City of Kenner	7
FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	8-9
REQUIRED SUPPLEMENTARY INFORMATION - PART I	
Management's Discussion and Analysis	10-15
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Assets.....	16
Statement of Activities	17
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	18-19
Reconciliation of the Balance Sheet to the Statement of Net Assets	20
Statement of Revenues, Expenditures, and Changes in Fund Balances	21-22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....	23
Proprietary Funds:	
Statement of Net Assets	24-25
Statement of Revenues, Expenses and Changes in Net Assets	26
Statement of Cash Flows.....	27-28

TABLE OF CONTENTS (CONTINUED)

PAGE

FINANCIAL SECTION (CONTINUED)

Fiduciary Fund:

Statement of Fiduciary Net Assets	29
Notes to the Financial Statements	30-58

REQUIRED SUPPLEMENTARY INFORMATION - PART II

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund.....	59
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - One Percent Sales Tax of 1984 Fund.....	60
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Community Development Block Grant Fund	61-62
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Fire Protection Fund	63-64
Note to Budgetary Comparison Schedules.....	65
Schedule of Funding Progress for Other Postemployment Benefits Plan	66

OTHER SUPPLEMENTARY INFORMATION

Governmental Funds:

Nonmajor Fund Descriptions.....	67
Combining Balance Sheet - Nonmajor Governmental Funds	68-69
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	70-71
Schedule of Revenues - Budget and Actual - General Fund	72-73
Schedule of Expenditures - Budget and Actual - General Fund.....	74-75
Combining Schedule of Departmental Expenditures - Budget and Actual - General Fund	
General Government Function	76-79
Public Safety Function	80-82
Public Works Function.....	83-84
Health and Welfare Function	85-86
Culture and Recreation Function	87-89

TABLE OF CONTENTS (CONTINUED)

	<u>PAGE</u>
FINANCIAL SECTION (CONTINUED)	
Transit Function	90
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Garbage Collection and Disposal Fund	91
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Roads and Bridges Fund	92
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Street Lighting Fund.....	93
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Ad Valorem Tax Bonds Fund	94
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Firemen's Pension Merger Fund.....	95
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Debt Fund	96
Proprietary Funds:	
Enterprise Funds:	
Enterprise Fund Descriptions	97
Schedule of Revenues, Expenses and Changes in Net Assets Budget and Actual - Department of Wastewater Operations Fund	98
Schedule of Revenues, Expenses and Changes in Net Assets Budget and Actual - Civic Center Operations Fund	99
Internal Service Funds:	
Internal Service Fund Descriptions.....	100
Combining Statement of Net Assets	101
Combining Statement of Revenues, Expenses, and Changes in Net Assets	102
Combining Statement of Cash Flows	103-104
Schedule of Councilpersons' Compensation	105

TABLE OF CONTENTS (CONTINUED)

	<u>PAGE</u>
STATISTICAL SECTION	
Financial Trends	106-112
Revenue Capacity	113-117
Debt Capacity	118-122
Demographic and Economic Information	123-124
Operating Information	125-127
SINGLE AUDIT SECTION	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	128-129
Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	130-131
Schedule of Expenditures of Federal Awards.....	132
Notes to Schedule of Expenditures of Federal Awards.....	133
Schedule of Findings and Questioned Costs.....	134
Summary Schedule of Prior Audit Findings.....	135

INTRODUCTORY SECTION



MICHAEL S. YENNI
MAYOR

CITY OF KENNER

DEPARTMENT OF FINANCE

DUKE P. MCCONNELL
FINANCE DIRECTOR

December 30, 2011

Honorable Mayor and City Councilpersons
City of Kenner, Louisiana
1801 Williams Boulevard
Kenner, Louisiana 70062

The Comprehensive Annual Financial Report of the City of Kenner, Louisiana, for the fiscal year-ended June 30, 2011 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and operating activities of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and questioned costs, and auditor's reports on compliance and on internal controls, are included in the single audit section of this report.

CITY OF KENNER

The City is the largest incorporated area in Jefferson Parish, a suburban parish (county) in the New Orleans Standard Metropolitan Statistical Area. It is bounded on the north by Lake Pontchartrain, on the south by the Mississippi River, on the east by unincorporated Jefferson Parish, and on the west by St. Charles Parish. The map of the City which is enclosed in this Introductory Section reflects a total area of approximately 15 square miles. Since 1946, the City has contained the site for the New Orleans International Airport.

Major industries located within the City's boundaries or in close proximity include retail, air carriers, gaming, telephone, energy and telecommunications providers, and manufacturing.

REPORTING ENTITY AND ITS SERVICES

The City is a unit of general local government under the Census Bureau's criteria. It is a home rule charter city incorporated under the constitution and laws of the State of Louisiana on July 1, 1974. A seven person council and an elected mayor govern the City, as reflected in the organizational chart of the City's administrative departments included in this introductory section. The City's department directors with the exception of the Police Department, which is governed by an elected chief, report to the Chief Administrative Officer who in turn reports directly to the Mayor.

This report includes government-wide financial statements and fund financial statements of the City. The City provides a full range of services. These services include police and fire protection; sanitation services; the construction and maintenance of highways, streets, and infrastructure; recreational activities and cultural events. As required by generally accepted accounting principles, the financial statements of the reporting entity present the primary government (the City) and any component units. Component units are defined as legally separate organizations for which the City is financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. In addition, a component unit can be another organization for which the

nature and significance of its relationship with the primary government (the City) is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City has no component units currently.

THE REPORT FORM

The authoritative promulgations by the Governmental Accounting Standards Board (GASB) were applied in the preparation of this report.

Users of the Comprehensive Annual Financial Report should also refer to the narrative introduction, overview, and analysis found in the Management's Discussion and Analysis (MD&A) in the financial section of the Comprehensive Annual Financial Report.

FINANCIAL INFORMATION

Internal Accounting Control

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit

As a recipient of federal, state and parish financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management. I believe that the City's internal control structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

As a part of the City's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year-ended June 30, 2010 are included in the Single Audit Section of this report.

Budgetary Control

In addition, the government maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the General Fund, Special Revenue Funds, Debt Service Funds and Enterprise Funds are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level, except for the General Fund which is at the departmental level. Any amendments to the total budgeted expenditures of a department require Council approval. The Mayor can approve changes to the budget within a department, as long as the total is not changed. The government also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Besides comparing current year expenditures to the prior year, comparison to budget is of paramount importance in a government's financial reporting. The City Council annually adopts a budget for each governmental fund type (except capital projects are budgeted on a project basis) and proprietary type funds (except for the Internal Service Funds). Budgetary accounting is not used for the Self Insurance and Health Insurance Internal Service Funds because management considers effective budgetary control achieved since their amounts, which are charged back to other funds, are included as expenditures in each Fund's budget. Budgets are adopted by June 15 for the fiscal year which begins the following July 1. Revenues and expenditures are budgeted on the modified accrual or accrual basis as appropriate for the fund type. Encumbrances of the current year are recorded as obligations against budgeted appropriations and are included in the columns titled "budgetary" in the statements in the financial section of this report.

LOCAL ECONOMY

During the 2010-2011 fiscal year sales taxes started to recover but are still significantly lower than they were before the recession that occurred in the previous two years. In addition, costs continue to escalate. To deal with the reduced revenue during the recession and the increased costs, the City has made significant cuts in our operations over the last few years which

included the elimination of 123 budgeted positions. In April 2011, the City proposed an increase in property taxes for Police, Fire and Sanitation services to provide much needed additional revenue however the voters overwhelmingly rejected the proposed increases. Sales taxes have fluctuated during the first six months of the 2011-2012 fiscal year but continue to improve slightly. With sales taxes growing very slowly and costs continuing to rise the City will have to continue to find ways to reduce costs in order to maintain a balanced budget. There are some positive signs for our economy as a new Target store opened recently in the Esplanade Mall and there are a few other potential developments being worked on.

LEGAL COMPLIANCE

The Single Audit Act of 1984 (P. L. 98-502) and related 1996 Amendments requires reports by the Auditors on compliance and on the internal control over financial reporting in accordance with Government Auditing Standards, the City's compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133 and the Schedule of Expenditures of Federal Awards. These reports, along with the City management's responses to the non-compliance findings, are presented in the Single Audit Section of this report.

INDEPENDENT AUDIT

Louisiana municipalities not audited by the Legislative Auditor are required by La. R.S. 24:517 to have conducted annually an audit of their accounts by a certified public accountant. Moreover, the City Charter (Section 2:28) requires that the Council shall execute a contract each year with a certified public accountant or a firm of certified public accountants for an examination of the accounts of the City to include all funds appropriated by the Council. These requirements have been complied with and the opinion of the firm of Duplantier, Hrapmann, Hogan & Maher, L.L.P., Certified Public Accountants has been included in this report.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year-ended June 30, 2010. This was the sixteenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an *easily readable and efficiently organized comprehensive annual financial report*. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

I would also like to thank the staff at Duplantier, Hrapmann, Hogan & Maher, L.L.P., Certified Public Accountants, for their invaluable assistance in completing this Comprehensive Annual Financial Report of the City of Kenner.

In closing, without the leadership and support of the Mayor, the Chief Administrative Officer and the City Council, preparation of this report would not have been possible.

Sincerely,



DUKE P. McCONNELL, CPA
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Kenner
Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Sandison

President

Jeffrey R. Egan

Executive Director

SELECTED OFFICIALS OF THE CITY OF KENNER

CITY COUNCIL

Councilwoman at Large
Councilwoman at Large
District No. 1
District No. 2
District No. 3
District No. 4
District No. 5

Michele Branigan
Jeannie Black
Gregory Carroll
Joseph Stagni
Ben Zahn
Maria DeFrancesch
Kent Denapolis

EXECUTIVE STAFF

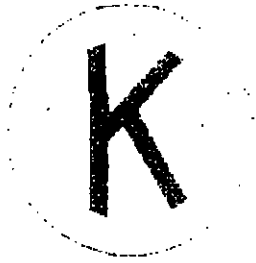
Mayor
Chief Administrative Officer
Chief of Police
City Attorney
Deputy Chief Administrative Officer-Public Works
Chief Financial Officer

Honorable Michael S. Yenni
Mike Quigley
Steve Caraway
Keith Conley
Prat Reddy
Duke McConnell

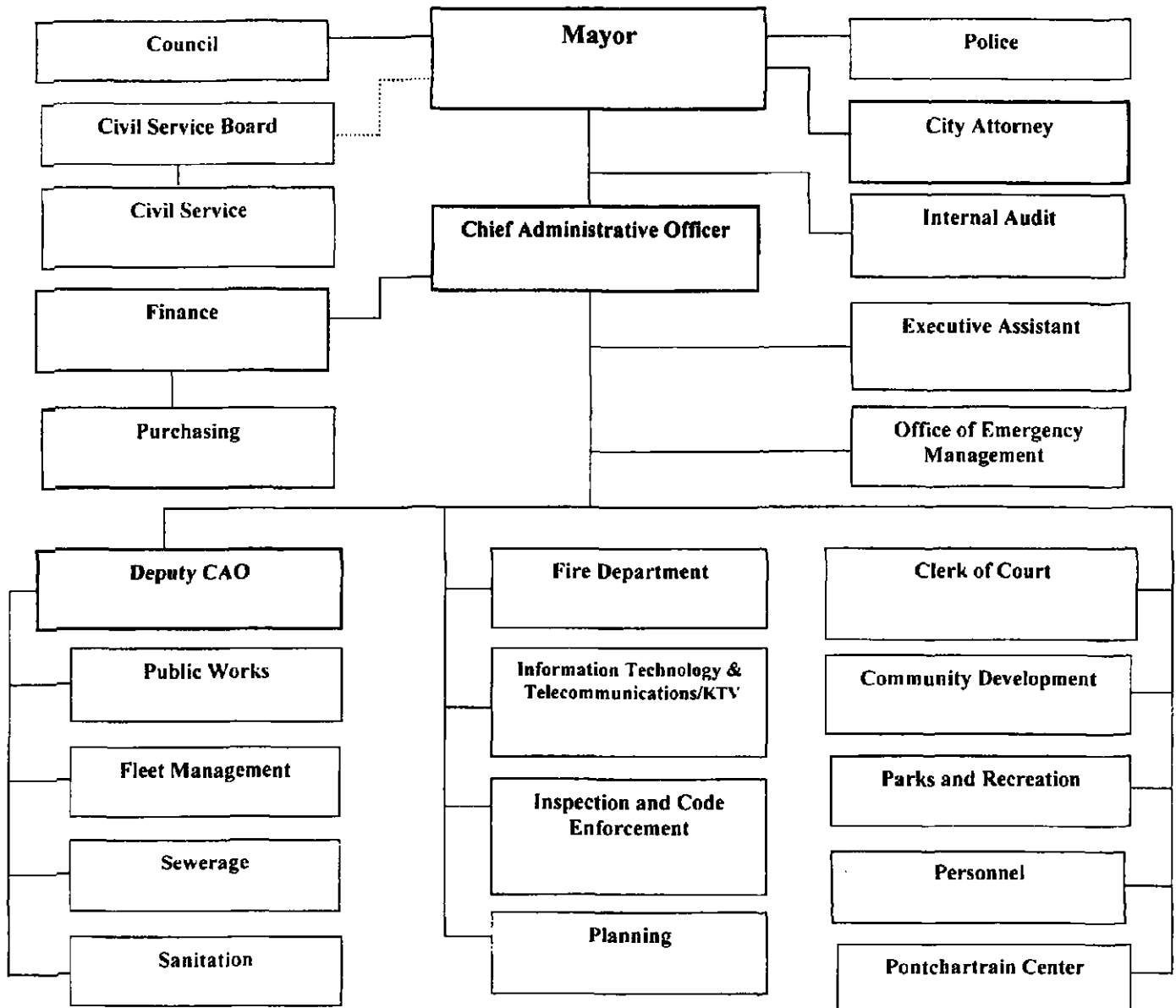
DEPARTMENT HEADS

Inspection and Code Enforcement
Community Development
Parks and Recreation
Human Resources
Planning
Purchasing
Fire Chief
Court
Information Technology
Internal Audit
Council Clerk
Civil Service
Fleet Management
Public Works

Tamithia Shaw
Arleeta Terrell
Ken Marroccoli
Beverly Nicolosi
Jay Hebert
Theresa Nevels
John Hellmers
Meg Vincent
Valerie Waguespack
Natalie Newton
Natalie Hall
Wendy Lorenz
Ronnie Vitellaro
Jose Gonzalez

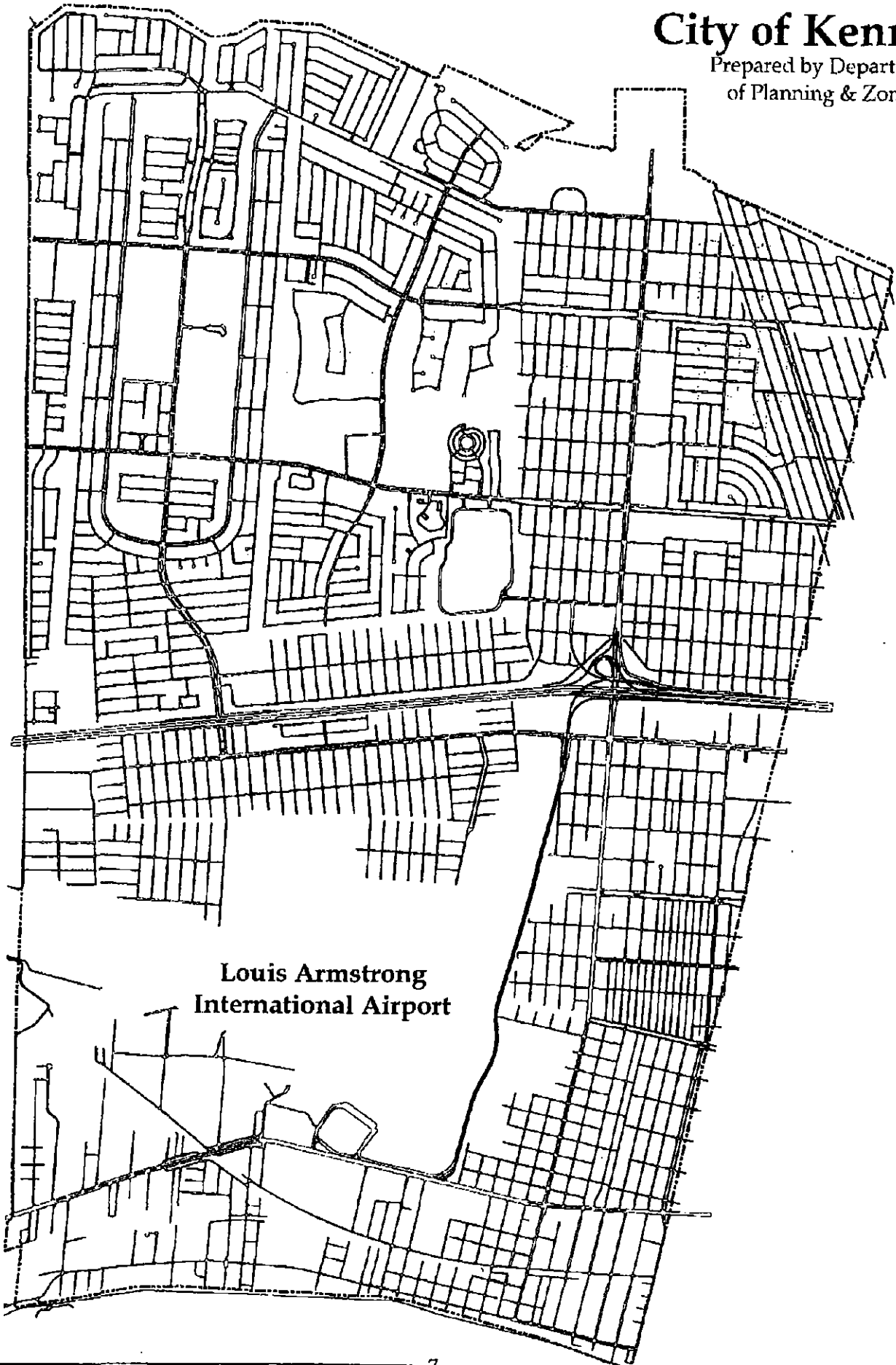


City of Kenner Organization of Government



City of Kenner

Prepared by Department
of Planning & Zoning

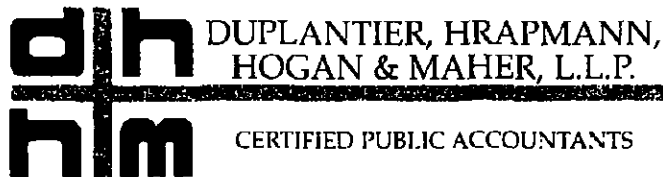


Louis Armstrong
International Airport

FINANCIAL SECTION

WILLIAM G. STAMM, C.P.A.
CLIFFORD J. GIFFIN, JR., C.P.A.
LINDSAY J. CALUB, C.P.A., LLC.
GUY L. DUPLANTIER, C.P.A.
MICHELLE H. CUNNINGHAM, C.P.A.
DENNIS W. DILLON, C.P.A.
GRADY C. LLOYD, III, C.P.A.

ANN H. HEBERT, C.P.A.
HENRY L. SILVIA, C.P.A.



MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA. C.P.A.s

MICHAEL J. O'ROURKE, C.P.A.
DAVID A. BURGARD, C.P.A.

A.J. DUPLANTIER, JR., C.P.A.
(1919-1985)
FELIX J. HRAPMANN, JR., C.P.A.
(1919-1990)
WILLIAM R. HOGAN, JR., C.P.A.
(1920-1996)
JAMES MAHER, JR., C.P.A.
(1921-1999)

INDEPENDENT AUDITOR'S REPORT

December 30, 2011

Honorable Mayor and Members of the Council
City of Kenner, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Kenner, Louisiana as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Kenner, Louisiana's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kenner, Louisiana as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note A to the financial statements, the City of Kenner adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2011, on our consideration of the City of Kenner, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 10 through 15 and the required supplementary information on pages 59 through 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Kenner, Louisiana's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, other supplementary information on pages 68-105, and the statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the schedule on page 105 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory, other supplementary information, and statistical sections have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Duplantier, Krapmann, Hogan & Baker LLP

REQUIRED SUPPLEMENTARY INFORMATION - PART I

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

This management discussion and analysis is intended to provide the readers of the City's financial statements with an overview and analysis of the financial activities of the City for the year ended June 30, 2011. It should be read in conjunction with the transmittal letter and financial statements including footnotes.

FINANCIAL HIGHLIGHTS

The assets of the City exceeded its liabilities by approximately \$293 million at June 30, 2011. Of this amount approximately \$276 million is in capital assets net of related debt.

The City's unrestricted net assets in governmental activities are approximately (\$.1) million, which is an increase due to the surplus from increased revenue and departmental expenditures under budget however the increase was partially offset by an increase in claims outstanding in the City's self-insurance funds.

Business type activities unrestricted net assets are approximately (\$.7) million which is a decrease due to a transfer to the capital projects funds of a portion of insurance proceeds received in the Civic Center fund from Hurricane Katrina.

The City's total net assets decreased by approximately \$17 million. Net assets of governmental activities decreased by approximately \$19 million due to depreciation. Net assets of business type activities increased by approximately \$2 million due to \$6 million in capital additions less \$3 million in depreciation and the transfer of insurance proceeds noted above.

The City's governmental funds reported combined unassigned fund balances of approximately \$7.4 million with approximately \$7.7 million in the general fund which is a significant increase due to the surplus as noted earlier.

The fund balance in the General Debt Fund increased due to transfers from the capital projects fund to cover subsequent debt payments.

The fund balance in the General Capital Projects Fund increased slightly due to additional projects budgeted in the current year but not yet completed. The deficit of \$.4 million in the Capital Projects Funded with Bond Proceeds Fund will be eliminated when arbitrage calculations are complete and interest is rebated to the fund.

The unassigned fund balance of the general fund represents 13% of the City's operating expenditures.

The City's total debt increased by approximately \$3 million due to an increase of \$9 million drawn-down from the \$22 million dollar loan from the Louisiana Department of Environmental Quality for sewer improvements and due to scheduled debt payments of approximately \$6 million made during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The management discussion and analysis serves as an introduction to the City's basic financial statements, which are the government-wide financial statements, fund financial statements, and notes to the financial statements. Also included in the report is required supplementary information.

Government-wide financial statements. The government-wide financial statements report information about the overall finances of the City similar to a business enterprise. The statements combine and consolidate short-term, spendable resources with capital assets and long-term obligations.

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The statement of net assets presents information on all of the City's assets, less liabilities, which results in net assets. The statement is designed to display the financial position of the City. Over time, increases or decreases in net assets help determine whether the City's financial position is improving or deteriorating.

The statement of activities provides information which shows how the City's net assets changed as a result of the year's activities. The statement uses the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. All of the revenues and expenses are reported regardless of the timing of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities distinguish functions of the City that are financed primarily by taxes, intergovernmental revenues, and charges for services (governmental activities) from functions where user fees and charges to customers help to cover all or most of the cost of services (business-type activities). The City's governmental activities include general government, public safety, public works, cultural and recreation, health and welfare and transit and urban development. The business-type activities of the City include the City's sewer system and civic center.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate fiscal accountability. The City uses governmental, proprietary, and fiduciary fund financial statements to provide more detailed information about the City's most significant funds rather than the City as a whole.

Governmental funds. Governmental funds are used to report most of the City's basic services. The funds focus on the inflows and outflows of current resources and the balance of spendable resources available at the end of the fiscal year. Governmental fund statements provide a near or short-term view of the City's operations. A reconciliation is prepared of the governmental funds Balance Sheet to the Statement of Net Assets and the Statement of Revenues, Expenditures, and Changes in Fund Balances of governmental funds to the Statement of Activities.

Twelve governmental funds are used by the City. The City has seven major governmental funds, which have separately presented information in the governmental fund Balance Sheet, and Statement of Revenues and Expenditures and Changes in Fund Balance. The major funds are the General Fund, One Percent Sales Tax of 1984 Fund, Community Development Fund, Fire Protection Fund, General Debt Fund, General Capital Projects Fund, and Capital Projects Funded with Bond Proceeds Fund. The five non-major funds are presented in the aggregate in the governmental fund financial statements. The individual fund information is presented in combining statements.

The City adopts an annual budget for its governmental funds with the exception of the Capital Projects Funded with Bond Proceeds Fund. Budgetary comparison statements have been provided for these funds, except for the General Capital Projects Fund.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer and civic center operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its health care and self-insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the sewer and civic center, both of which are considered major funds of the City.

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements and elsewhere in this report.

The City also adopts an annual budget for its enterprise funds and budgetary comparison statements are provided for these funds.

Fiduciary funds. Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for others. Activities from fiduciary funds are not included in the government-wide financial statements because the City cannot use these assets for its operations.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

Net assets. The following table reflects condensed information on the City's net assets for the current and prior years.

	Net Assets June 30, (In thousands)					
	Governmental Activities 2011	Business-type Activities 2011	Total 2011	Governmental Activities 2010	Business-type Activities 2010	Total 2010
Assets:						
Current and other assets	\$ 40,274	\$ 129	\$ 40,403	\$ 34,296	\$ 1,374	\$ 35,670
Capital assets	<u>251,291</u>	<u>70,675</u>	<u>321,966</u>	<u>268,434</u>	<u>67,465</u>	<u>335,899</u>
Total assets	<u>291,565</u>	<u>70,804</u>	<u>362,369</u>	<u>302,730</u>	<u>68,839</u>	<u>371,569</u>
Liabilities:						
Long-term outstanding debt	57,085	-	57,085	52,544	-	52,544
Other liabilities	<u>11,342</u>	<u>838</u>	<u>12,180</u>	<u>8,043</u>	<u>756</u>	<u>8,799</u>
Total liabilities	<u>68,427</u>	<u>838</u>	<u>69,265</u>	<u>60,587</u>	<u>756</u>	<u>61,343</u>
Net assets:						
Invested in capital assets, net of related debt	205,361	70,675	276,036	226,327	67,465	293,792
Restricted	17,904	-	17,904	17,384	-	17,384
Unrestricted	<u>(127)</u>	<u>(709)</u>	<u>(836)</u>	<u>(1,568)</u>	<u>619</u>	<u>(949)</u>
Total net assets	<u>\$ 223,138</u>	<u>\$ 69,966</u>	<u>\$ 293,104</u>	<u>\$ 242,143</u>	<u>\$ 68,084</u>	<u>\$ 310,227</u>

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Changes in net assets. The City's total revenues and expenses for governmental and business-type activities are reflected in the following chart for the current and prior years.

Changes in Net Assets June 30, (In thousands)						
	Governmental Activities 2011	Business-type Activities 2011	Total 2011	Governmental Activities 2010	Business-type Activities 2010	Total 2010
Revenues:						
Program revenues:						
Charges for services	\$ 15,959	\$ 5,658	\$ 21,617	\$ 16,142	\$ 4,785	\$ 16,142
Operating grants & Contributions	2,498	-	2,498	2,321	-	2,321
Capital grants & Contributions	1,811	6,706	8,517	3,617	326	3,943
General revenues:						
Property taxes	7,940	513	8,453	7,479	522	8,001
Sales taxes	30,788	340	31,128	29,759	382	30,141
Other taxes	10,165	422	10,587	9,591	454	10,045
Grants & contributions not restricted to specific program	314	1	315	118	3	121
Other	248	1	249	281	13	294
Total revenues	<u>69,723</u>	<u>13,641</u>	<u>83,364</u>	<u>69,308</u>	<u>6,485</u>	<u>75,793</u>
Program expenses:						
General government	13,332	-	13,332	12,446	-	12,446
Public safety	28,981	-	28,981	28,176	-	28,176
Public works	36,658	-	36,658	30,432	-	30,432
Health and welfare	756	-	756	927	-	927
Culture and recreation	7,066	-	7,066	9,551	-	9,551
Transit & urban development	1,537	-	1,537	1,982	-	1,982
Miscellaneous	-	-	-	-	-	-
Interest on long term debt	1,688	-	1,688	1,858	-	1,858
Sewer operations	-	7,233	7,233	-	7,283	7,283
Civic center operations	-	3,321	3,321	-	3,157	3,157
Total expenses	<u>90,018</u>	<u>10,554</u>	<u>100,572</u>	<u>85,372</u>	<u>10,440</u>	<u>95,812</u>
Change in net assets before Transfer and Extraordinary Items	<u>(20,295)</u>	<u>3,087</u>	<u>(17,208)</u>	<u>(16,064)</u>	<u>(3,955)</u>	<u>(20,019)</u>
Transfers	<u>1,204</u>	<u>(1,204)</u>	<u>-</u>	<u>350</u>	<u>(350)</u>	<u>-</u>
Change in net assets before Extraordinary Items	<u>(19,091)</u>	<u>1,883</u>	<u>(17,208)</u>	<u>(15,714)</u>	<u>(4,305)</u>	<u>(20,019)</u>
Extraordinary Items:						
Gain on disposal of capital assets	86	-	86	-	-	-
Loss on Insurance Settlement	-	-	-	-	(498)	(498)
Change in net assets	<u>(19,005)</u>	<u>1,883</u>	<u>(17,122)</u>	<u>(15,714)</u>	<u>(4,803)</u>	<u>(20,517)</u>
Net assets-beginning of year	<u>242,143</u>	<u>68,083</u>	<u>310,226</u>	<u>257,857</u>	<u>72,887</u>	<u>330,744</u>
Net assets-end of year	<u>\$ 223,138</u>	<u>\$ 69,966</u>	<u>\$ 293,104</u>	<u>\$ 242,143</u>	<u>\$ 68,084</u>	<u>\$ 310,227</u>

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets as of June 30, 2011 for its governmental and business-type activities was approximately \$322 million, net of depreciation as reflected in the schedule below:

	Capital Assets June 30, 2011 (Net of depreciation in thousands)		
	Governmental Activities	Business-type Activities	Total
Land	\$ 9,674	\$ 3,799	\$ 13,473
Construction in progress	17,428	11,528	28,956
Buildings	22,936	50,329	73,265
Improvements other than buildings	5,339	276	5,615
Equipment	8,733	4,743	13,476
Infrastructure	187,181	-	187,181
Total	<u>\$ 251,291</u>	<u>\$ 70,675</u>	<u>\$ 321,966</u>

The majority of the capital additions for the year were for infrastructure as the City continued a major program of infrastructure improvements. The majority of this year's projects were sewerage done through the loan from the Louisiana Department of Environmental Quality. The City also purchased additional equipment for Police and upgraded facilities for Recreation and Public Works departments. For additional information on capital asset activity see note "H" in the Notes to the Financial Statements section.

Long-term debt. At year-end, the City had approximately \$53 million in long-term debt as shown in the table below.

	Outstanding long-term debt June 30, 2011 (In thousands)		
	Governmental Activities	Business-type Activities	Total
Revenue bonds	\$ 23,262	\$ -	\$ 23,262
Certificates of indebtedness	200	-	200
Note payable	24,868	-	24,868
Mortgage payable	-	-	-
Other	4,582	-	4,582
Total	<u>\$ 52,912</u>	<u>\$ -</u>	<u>\$ 52,912</u>

The City's total long-term debt increased by approximately \$3 million, which was explained earlier.

As of December 15, 2011, the City's sales tax bonds are rated B, negative outlook by Standard and Poor's based on the bond insurance policy issued by MBIA Insurance Corporation. The City has not obtained an underlying rating of these bonds.

State statutes limit the amount of government obligation debt a municipality may issue at a maximum of 10% of the assessed valuation for any purpose. The maximum may be exceeded if the aggregate issued for all purposes does not exceed 35% of the total assessed valuation. The City's outstanding general obligation debt is below the state limit. Approximately \$197 million of additional general obligation bonded debt is available for issuance. See note "I" in the Notes to the Financial Statements section of this report for additional information on the City's Long Term Debt.

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

As noted earlier revenues increased in the 2010/2011 fiscal year however they are still significantly lower than the level prior to the recession and are not nearly enough to keep up with the costs of providing services which continue to rise. As a result of this, when employees leave and positions become vacant the City only fills positions that are considered to be essential. Departmental budgets were reduced again this year and departments will have to continue to find ways to maintain services with fewer resources. The City rededicated approximately \$2.5 million in funds dedicated to capital projects to the operating budget for one year only to balance this year's budget.

The City strives to maintain an unassigned fund balance in the general fund of approximately 10% of operating expenses. The fund balance is needed to help the City meet any unforeseen expenditures such as major storms, etc. and to meet the City's cash flow needs as several services are financed using property tax millages such as garbage services and fire protection and the property taxes are not collected until the middle of the fiscal year. As noted earlier the fund balance increased this year to approximately 13% of operating expenses.

The City's total expenditures increased by approximately \$5 million due to capital projects currently being done on the sewer system through the Louisiana Department of Environmental Quality as noted earlier.

The City also continues to rebuild damaged facilities from Hurricane Katrina with funding received from FEMA.

BUDGETARY HIGHLIGHTS

General fund revenues came in higher than the budget due to increased sales tax as well as increased revenue from fines and permits.

General fund expenditures were under budget due to the City's emphasis on controlling costs and monitoring expenses.

ECONOMIC OUTLOOK

Sales taxes, the City's primary revenue, are growing very slowly and are volatile. Costs continue to rise and the City will have to find ways to increase revenues or will be forced to make additional cuts which will affect the level of services provided to our citizens.

The City's property tax revenues for Garbage, Fire Protection and Sewerage expire at the end of 2012 as these taxes are approved by the voters in ten year increments. In November 2011 the voters renewed these taxes at their current rate for an additional ten years.

The City continues to be under a compliance order from the Louisiana Department of Environmental Quality, which will require substantial improvements to the sewer system. In November 2010 the City Council approved an increase in the City's sewer service charge over four years to adequately fund the City's sewerage operation and to provide funds to debt service the loan received from the Louisiana Department of Environmental Quality of \$22 million made in December of 2009 and to debt service an additional \$32 million of bonds. Since these additional bonds will be debt serviced by the increase in the sewer service charge, the bonds will be issued by the Kenner Consolidated Sewer District. These necessary repairs and improvements are expected to bring the sewerage system back into compliance.

In November 2011, the Kenner Consolidated Sewerage District issued the first \$16 million of these additional bonds to begin additional projects and intends to issue the remaining bonds in the next year or two. Standard & Poor's Ratings Services has assigned the Kenner Consolidated Sewerage District (the "District") an underlying rating of "A" based solely on the credit of the District. As of December 15, 2011, Standard & Poor's Ratings Services has also assigned the District's Series 2011 Bonds a rating of "AA-" based on the bond insurance policy issued by Assured Guaranty Municipal Corp.

BASIC FINANCIAL STATEMENTS

CITY OF KENNER, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2011

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash	\$ 7,275,304	\$ 700,453	\$ 7,975,757
Equity in pooled cash	4,057,077	-	4,057,077
Investments	8,345,369	-	8,345,369
Receivables (net, where applicable, of allowances for uncollectibles)			
Taxes	1,192,316	-	1,192,316
Accounts	4,055,120	-	4,055,120
Intergovernmental	11,210,578	275,897	11,486,475
Special assessments - delinquent	477	-	477
Interest	478,739	-	478,739
Service charges	-	1,487,871	1,487,871
Other	44,014	34,449	78,463
Due from agency fund	12,611	-	12,611
Internal balances	2,418,199	(2,418,199)	-
Inventory, at cost	60,137	-	60,137
Prepaid items	429,223	44,291	473,514
Deferred charges	694,799	-	694,799
Refundable deposits	-	3,669	3,669
Capital assets not being depreciated	27,102,105	15,326,715	42,428,820
Capital assets being depreciated, net of accumulated depreciation	224,188,924	55,348,173	279,537,097
Total assets	291,564,992	70,803,319	362,368,311
LIABILITIES			
Accounts payable	3,279,764	503,135	3,782,899
Estimated claims payable	5,008,769	-	5,008,769
Contracts payable	10,717	-	10,717
Retainages payable	432,410	-	432,410
Accrued liabilities	1,373,174	41,560	1,414,734
Deposits on future events	-	216,443	216,443
Due to other governments	922,375	-	922,375
Uncollected revenue	164,585	76,567	241,152
Other liabilities	150,484	-	150,484
Current portion of long-term debt	10,721,117	-	10,721,117
Non-current liabilities:			
Due in more than one year	46,364,103	-	46,364,103
Total liabilities	68,427,498	837,705	69,265,203
NET ASSETS			
Invested in capital assets, net of related debt	205,360,570	70,674,888	276,035,458
Restricted for:			
Capital projects	13,806,328	-	13,806,328
Debt service	4,097,628	-	4,097,628
Unrestricted	(127,032)	(709,274)	(836,306)
Total net assets	\$ 223,137,494	\$ 69,965,614	\$ 293,103,108

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	\$ 13,331,342	\$ 6,794,368	\$ 419,730	\$ 6,684	\$ (6,110,760)	\$ -	\$ (6,110,760)
Public safety	28,981,374	3,456,639	829,772	690	(24,694,273)	-	(24,694,273)
Public works	36,657,670	4,303,084	165,063	1,803,481	(30,386,042)	-	(30,386,042)
Health and welfare	756,235	78,485	-	-	(677,750)	-	(677,750)
Culture and recreation	7,066,031	1,217,459	-	-	(5,848,572)	-	(5,848,572)
Transit and urban development	1,537,013	109,362	1,083,386	-	(344,265)	-	(344,265)
Interest on long-term debt and other charges	1,688,282	-	-	-	(1,688,282)	-	(1,688,282)
Total Governmental Activities	90,018,147	15,959,397	2,497,951	1,810,855	(69,749,944)	-	(69,749,944)
Business-type Activities							
Wastewater Operations	7,233,176	4,399,069	-	6,706,005	-	3,871,898	3,871,898
Civic Center Operations	3,321,275	1,258,957	-	-	-	(2,062,318)	(2,062,318)
Total Business-type Activities	10,554,451	5,658,026	-	6,706,005	-	1,809,580	1,809,580
Total	\$ 100,572,598	\$ 21,617,423	\$ 2,497,951	\$ 8,516,860	(69,749,944)	1,809,580	(67,940,364)
General Revenues:							
Taxes:							
Ad valorem		7,940,366				512,750	8,453,116
Sales and use		30,788,076				340,181	31,128,257
Beer tax		70,485				-	70,485
Parking		1,952,097				-	1,952,097
Franchise		8,142,735				421,522	8,564,257
Grants and contributions not restricted to specific programs		313,757				97	313,854
Investment earnings		56,054				942	56,996
Miscellaneous		190,806				1,158	191,964
Gain on disposal of capital assets		85,951				-	85,951
Transfers		1,204,100				(1,204,100)	-
Total general revenues and transfers		50,744,427				72,550	50,816,977
Change in Net Assets		(19,005,517)				1,882,130	(17,123,387)
Net assets - beginning of year		242,143,011				68,083,484	310,226,495
Net assets - end of year		\$ 223,137,494				\$ 69,965,614	\$ 293,103,108

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	<u>GENERAL</u>	<u>ONE PERCENT SALES TAX OF 1984</u>	<u>COMMUNITY DEVELOPMENT BLOCK GRANT</u>	<u>FIRE PROTECTION</u>
ASSETS				
Cash	\$ 2,551,737	\$ -	\$ 80,850	\$ -
Equity in pooled cash	1,099,605	-	921,966	-
Investments	3,000,390	-	-	999,930
Receivables (net, where applicable, of allowances for uncollectibles)				
Taxes	1,192,316	-	-	-
Accounts	3,010,905	-	-	65,378
Intergovernmental	3,372,593	1,849,066	263,001	2,685
Special assessments - delinquent	477	-	-	-
Interest	478,698	-	-	-
Other	-	-	506	201
Due from other funds	13,919,882	159,222	89,765	831,438
Inventory, at cost	60,137	-	-	-
Prepaid items	429,223	-	-	-
Total assets	<u>\$ 29,115,963</u>	<u>\$ 2,008,288</u>	<u>\$ 1,356,088</u>	<u>\$ 1,899,632</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 919,916	\$ -	\$ 9,420	\$ 31,102
Contracts payable	-	-	10,717	-
Retainages payable	-	-	-	-
Accrued liabilities	799,012	-	38,792	219,237
Due to other funds	12,914,071	2,008,288	764,844	1,139,213
Due to other governments	922,375	-	-	-
Deferred revenues	824,805	-	-	489,123
Other liabilities	150,484	-	-	-
Total liabilities	<u>16,530,663</u>	<u>2,008,288</u>	<u>823,773</u>	<u>1,878,675</u>
Fund balances:				
Nonspendable				
Prepaid items	429,223	-	-	-
Inventory	60,137	-	-	-
Restricted				
Federal grants	-	-	532,315	-
Debt service	-	-	-	-
Capital projects	1,986,029	-	-	-
Committed				
Encumbrances	410,554	-	-	20,957
Other commitments	-	-	-	-
Assigned				
Subsequent year's expenditures	2,012,582	-	-	-
Unassigned	7,686,775	-	-	-
Total fund balances	<u>12,585,300</u>	<u>-</u>	<u>532,315</u>	<u>20,957</u>
Total liabilities and fund balances	<u>\$ 29,115,963</u>	<u>\$ 2,008,288</u>	<u>\$ 1,356,088</u>	<u>\$ 1,899,632</u>

The accompanying notes are an integral part of this statement.

GENERAL DEBT	GENERAL CAPITAL PROJECTS	CAPITAL PROJECTS FUNDED WITH BOND PROCEEDS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 2,548,929	\$ 685,884	\$ 109,260	\$ 8,452	\$ 5,985,112
758,046	-	995,263	282,198	4,057,078
-	4,007,056	-	-	8,007,376
-	-	-	-	1,192,316
-	-	-	978,837	4,055,120
680,941	799,213	4,243,079	-	11,210,578
-	-	-	-	477
41	-	-	-	478,739
-	43,262	-	38	44,007
-	9,725,471	780,794	1,111,402	26,617,974
-	-	-	-	60,137
-	-	-	-	429,223
<u>\$ 3,987,957</u>	<u>\$ 15,260,886</u>	<u>\$ 6,128,396</u>	<u>\$ 2,380,927</u>	<u>\$ 62,138,137</u>
\$ -	\$ 387,890	\$ 1,466,745	\$ 464,691	\$ 3,279,764
-	-	-	-	10,717
-	54,221	378,189	-	432,410
-	-	-	48,330	1,105,371
614,999	982,215	4,370,390	831,875	23,625,895
-	-	-	-	922,375
-	-	309,438	127,196	1,750,562
-	-	-	-	150,484
<u>614,999</u>	<u>1,424,326</u>	<u>6,524,762</u>	<u>1,472,092</u>	<u>31,277,578</u>
-	-	-	-	429,223
-	-	-	-	60,137
-	-	-	165,063	697,378
3,372,958	-	-	724,670	4,097,628
-	13,806,328	-	-	15,792,357
-	30,232	-	16,381	478,124
-	-	-	2,721	2,721
-	-	-	-	2,012,582
-	-	(396,366)	-	7,290,409
<u>3,372,958</u>	<u>13,836,560</u>	<u>(396,366)</u>	<u>908,835</u>	<u>30,860,559</u>
<u>\$ 3,987,957</u>	<u>\$ 15,260,886</u>	<u>\$ 6,128,396</u>	<u>\$ 2,380,927</u>	<u>\$ 62,138,137</u>

CITY OF KENNER, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

Fund balances - total governmental funds	\$ 30,860,559
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets, net used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	251,291,029
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	(3,941,851)
Certain revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	1,585,981
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Accrued interest payable	(267,803)
Compensated absences	(4,581,805)
OPEB Payable	(4,173,486)
Bonds, notes and loans payable (net of premiums, discounts and deferred charges)	<u>(47,635,130)</u>
Net assets of governmental activities	<u>\$ 223,137,494</u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	<u>GENERAL</u>	<u>ONE PERCENT SALES TAX OF 1984</u>	<u>COMMUNITY DEVELOPMENT BLOCK GRANT</u>	<u>FIRE PROTECTION</u>
REVENUES				
Taxes	\$ 25,016,504	\$ 10,727,827	\$ -	\$ 4,307,350
Licenses and permits	3,508,681	-	-	-
Intergovernmental	2,706,109	-	1,083,386	-
Charges for services	1,685,384	-	-	690
Fines and forfeitures	2,602,543	-	-	-
Interest	21,234	-	-	428
Miscellaneous	635,835	-	-	1,508
Total revenues	<u>36,176,290</u>	<u>10,727,827</u>	<u>1,083,386</u>	<u>4,309,976</u>
EXPENDITURES				
Current:				
General government	10,432,342	-	-	-
Public safety	17,918,039	-	-	6,876,766
Public works	3,088,781	-	231,735	-
Health and welfare	611,230	-	-	-
Culture and recreation	4,675,018	-	8,760	-
Transit and urban development	363,134	-	1,088,534	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Agent fees	-	-	-	-
Debt issuance costs	-	-	-	-
Miscellaneous	-	-	-	-
Total expenditures	<u>37,088,544</u>	<u>-</u>	<u>1,329,029</u>	<u>6,876,766</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(912,254)</u>	<u>10,727,827</u>	<u>(245,643)</u>	<u>(2,566,790)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	7,921,330	-	276,018	2,569,757
Transfers out	(3,301,480)	(10,727,827)	-	-
Long-term debt issued	-	-	-	-
Total other financing sources and uses	<u>4,619,850</u>	<u>(10,727,827)</u>	<u>276,018</u>	<u>2,569,757</u>
Net change in fund balances	3,707,596	-	30,375	2,967
Fund balances - beginning of year	<u>8,877,704</u>	<u>-</u>	<u>501,940</u>	<u>17,990</u>
Fund balances - end of year	<u>\$ 12,585,300</u>	<u>\$ -</u>	<u>\$ 532,315</u>	<u>\$ 20,957</u>

The accompanying notes are an integral part of this statement.

<u>GENERAL DEBT</u>	<u>GENERAL CAPITAL PROJECTS</u>	<u>CAPITAL PROJECTS FUNDED WITH BOND PROCEEDS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 4,087,947	\$ -	\$ -	\$ 3,642,830	\$ 47,782,458
-	-	-	-	3,508,681
-	1,565,238	-	165,063	5,519,796
-	-	-	2,971,356	4,657,430
-	-	-	-	2,602,543
3,393	2,079	88	31	27,253
-	231,583	213	12	869,151
<u>4,091,340</u>	<u>1,798,900</u>	<u>301</u>	<u>6,779,292</u>	<u>64,967,312</u>
-	58,624	-	-	10,490,966
-	64,849	-	-	24,859,654
-	2,037,403	8,514,178	6,781,870	20,653,967
-	-	-	-	611,230
-	984,742	-	-	5,668,520
-	-	-	-	1,451,668
3,075,000	-	-	1,505,965	4,580,965
999,430	-	-	711,593	1,711,023
-	-	-	-	-
-	-	-	-	-
36,000	-	-	-	36,000
<u>4,110,430</u>	<u>3,145,618</u>	<u>8,514,178</u>	<u>8,999,428</u>	<u>70,063,993</u>
<u>(19,090)</u>	<u>(1,346,718)</u>	<u>(8,513,877)</u>	<u>(2,220,136)</u>	<u>(5,096,681)</u>
341,799	2,361,129	200,000	2,401,067	16,071,100
-	(837,699)	-	-	(14,867,006)
-	-	8,459,187	-	8,459,187
<u>341,799</u>	<u>1,523,430</u>	<u>8,659,187</u>	<u>2,401,067</u>	<u>9,663,281</u>
322,709	176,712	145,310	180,931	4,566,600
3,050,249	13,659,848	(541,676)	727,904	26,293,959
<u>\$ 3,372,958</u>	<u>\$ 13,836,560</u>	<u>\$ (396,366)</u>	<u>\$ 908,835</u>	<u>\$ 30,860,559</u>

CITY OF KENNER, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Net change in fund balances, total governmental funds	\$ 4,566,600
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlays	1,009,685
Depreciation expense	(18,114,901)
In the Statement of Activities, only the gain on the sale of capital assets is reported, while in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.	
	(37,851)
Certain governmental revenues will not be collected for several months after year-end and are deferred in the governmental funds.	
	293,479
The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
	(3,819,481)
Payment of compensated absences is reported as expenditures in the governmental funds when actually paid. However, on the statement of activities compensated absences are expensed as they are accrued. This is the change in the compensated absence liability.	
	(13,234)
Payment of other post employment benefits is reported as expenditures in the governmental funds when actually paid. However, on the statement of activities other post employment benefits are expensed as they are accrued. This is the change in the other post employment liability.	
	(770,669)
Internal service funds are used by management to charge the costs of insurance to individual funds. The net revenue (expense) of internal service funds are reported with governmental activities.	
	(2,119,145)
Change in net assets of governmental activities	<u>\$ (19,005,517)</u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL</u>
	<u>DEPARTMENT OF</u>	<u>CIVIC</u>		<u>ACTIVITIES</u>
	<u>WASTEWATER</u>	<u>CENTER</u>		<u>INTERNAL</u>
	<u>OPERATIONS</u>	<u>OPERATIONS</u>	<u>TOTAL</u>	<u>SERVICE</u>
				<u>FUNDS</u>
ASSETS				
Current assets:				
Cash	\$ 160,381	\$ 540,072	\$ 700,453	\$ 1,290,191
Equity in pooled cash	-	-	-	-
Investments	-	-	-	337,993
Receivables (net, where applicable, of allowances for uncollectibles)				
Accounts	-	-	-	-
Intergovernmental	173,276	102,621	275,897	-
Service charges	1,465,401	22,470	1,487,871	-
Other	-	34,449	34,449	-
Due from other funds	288,565	2,140,580	2,429,145	-
Prepaid expenses	44,291	-	44,291	-
Refundable deposits	3,669	-	3,669	-
	<u>2,135,583</u>	<u>2,840,192</u>	<u>4,975,775</u>	<u>1,628,184</u>
Total current assets				
Noncurrent assets:				
Capital assets:				
Land	-	3,798,726	3,798,726	-
Buildings and improvements	81,202,064	20,111,931	101,313,995	-
Improvements other than buildings	-	1,754,533	1,754,533	-
Furniture and fixtures	13,319,446	4,062,156	17,381,602	-
Vehicles and field equipment	1,344,350	-	1,344,350	-
Construction in progress	11,527,989	-	11,527,989	-
Less: accumulated depreciation	<u>(54,078,372)</u>	<u>(12,367,935)</u>	<u>(66,446,307)</u>	<u>-</u>
Total capital assets, net	<u>53,315,477</u>	<u>17,359,411</u>	<u>70,674,888</u>	<u>-</u>
Total noncurrent assets	<u>53,315,477</u>	<u>17,359,411</u>	<u>70,674,888</u>	<u>-</u>
Total assets	<u>\$ 55,451,060</u>	<u>\$ 20,199,603</u>	<u>\$ 75,650,663</u>	<u>\$ 1,628,184</u>

(Continued)

CITY OF KENNER, LOUISIANA
STATEMENT OF NET ASSETS (CONTINUED)
PROPRIETARY FUNDS
JUNE 30, 2011

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL</u>
	<u>DEPARTMENT OF</u>	<u>CIVIC</u>		<u>ACTIVITIES</u>
	<u>WASTEWATER</u>	<u>CENTER</u>		<u>INTERNAL</u>
	<u>OPERATIONS</u>	<u>OPERATIONS</u>	<u>TOTAL</u>	<u>SERVICE</u>
				<u>FUNDS</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 277,231	\$ 225,904	\$ 503,135	\$ -
Retainage payable	-	-	-	-
Estimated claims payable	-	-	-	5,008,769
Current portion of mortgage payable	-	-	-	-
Accrued liabilities	-	41,560	41,560	-
Deposits on future events	-	216,443	216,443	-
Due to other funds	3,597,344	1,250,000	4,847,344	561,265
Deferred revenue	76,567	-	76,567	-
	<u>3,951,142</u>	<u>1,733,907</u>	<u>5,685,049</u>	<u>5,570,034</u>
Total current liabilities				
NET ASSETS				
Invested in capital assets	53,315,477	17,359,411	70,674,888	-
Restricted	-	-	-	-
Unrestricted	<u>(1,815,559)</u>	<u>1,106,285</u>	<u>(709,274)</u>	<u>(3,941,850)</u>
Total net assets	<u>\$ 51,499,918</u>	<u>\$ 18,465,696</u>	<u>\$ 69,965,614</u>	<u>\$ (3,941,850)</u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL	
OPERATING REVENUES				
Charges for services	\$ 4,399,069	\$ 1,252,425	\$ 5,651,494	\$ 4,585,447
Miscellaneous	1,158	6,532	7,690	-
Total operating revenues	4,400,227	1,258,957	5,659,184	4,585,447
OPERATING EXPENSES				
Supplies and other expenses	4,175	25,950	30,125	-
Building and maintenance expenses	73,543	666,189	739,732	-
Outside services	4,854,036	1,267,414	6,121,450	150,880
Insurance claims	-	-	-	2,161,271
Insurance premiums	-	81,974	81,974	4,392,588
Depreciation	2,285,993	1,255,845	3,541,838	-
Other	15,429	23,903	39,332	-
Total operating expenses	7,233,176	3,321,275	10,554,451	6,704,739
Operating income (loss)	(2,832,949)	(2,062,318)	(4,895,267)	(2,119,292)
NON-OPERATING REVENUES (EXPENSES)				
Ad valorem taxes	512,750	-	512,750	-
Hotel/motel taxes	-	340,181	340,181	-
Cable television franchise fees	-	421,522	421,522	-
Intergovernmental	97	-	97	-
Interest income	307	635	942	148
Interest expense	-	-	-	-
Gain on disposal of assets	-	-	-	-
Total non-operating revenues	513,154	762,338	1,275,492	148
Income (loss) before contributions, transfers and extraordinary item	(2,319,795)	(1,299,980)	(3,619,775)	(2,119,144)
Capital contributions	6,706,005	-	6,706,005	-
Transfers in (out)	45,900	(1,250,000)	(1,204,100)	-
Change in net assets	4,432,110	(2,549,980)	1,882,130	(2,119,144)
Net assets - beginning of year	47,067,808	21,015,676	68,083,484	(1,822,706)
Net assets - end of year	\$ 51,499,918	\$ 18,465,696	\$ 69,965,614	\$ (3,941,850)

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 4,211,518	\$ 1,510,281	\$ 5,721,799	\$ 4,585,447
Payments to suppliers	(5,007,647)	(2,045,995)	(7,053,642)	(5,377,864)
Internal activity - payments (to)/from other funds	286,990	(2,644,039)	(2,357,049)	486,097
Net cash used for operating activities	(509,139)	(3,179,753)	(3,688,892)	(306,320)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Ad valorem taxes	512,750	-	512,750	-
Hotel/motel taxes	-	378,647	378,647	-
Cable television franchise fees	-	422,961	422,961	-
Internal activity - receipts from other funds	-	-	-	213,488
Net cash provided by noncapital financing activities	512,750	801,608	1,314,358	213,488
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Intergovernmental	19,439	-	19,439	-
Principal payments - mortgage payable	-	-	-	-
Insurance proceeds on capital assets	-	3,750,000	3,750,000	-
Internal activity - payments to other funds	-	(1,250,000)	(1,250,000)	-
Purchase of capital assets	-	-	-	-
Net cash provided by capital and related financing activities	19,439	2,500,000	2,519,439	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments	-	-	-	3,126,217
Purchase of investments	-	-	-	(2,745,236)
Interest and dividends received	307	635	942	148
Net cash provided by investing activities	307	635	942	381,129
Net increase in cash and cash equivalents	23,357	122,490	145,847	288,297
Cash and cash equivalents, beginning of year	137,024	417,582	554,606	1,001,894
Cash and cash equivalents, end of year	\$ 160,381	\$ 540,072	\$ 700,453	\$ 1,290,191

(Continued)

CITY OF KENNER, LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL	
Reconciliation to Statement of Net Assets:				
· Cash	\$ 160,381	\$ 540,072	\$ 700,453	\$ 1,290,191
Equity in pooled cash	-	-	-	-
 Cash and cash equivalents, end of year	<u>\$ 160,381</u>	<u>\$ 540,072</u>	<u>\$ 700,453</u>	<u>\$ 1,290,191</u>
 Reconciliation of operating income to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (2,832,949)	\$ (2,062,318)	\$ (4,895,267)	\$ (2,119,292)
Adjustments to reconcile operating income (loss) to net cash provided by (used for)				
operating activities:				
Depreciation	2,285,993	1,255,845	3,541,838	-
Change in current assets and current liabilities:				
Decrease (increase) in receivables	(180,204)	119,620	(60,584)	-
Decrease (increase) in due from other funds	7,873	(3,894,039)	(3,886,166)	-
Decrease (increase) in prepaid expenses	-	-	-	-
Increase (decrease) in accounts payable	(60,464)	20,246	(40,218)	-
Increase (decrease) in deferred revenue	(8,505)	-	(8,505)	-
Increase (decrease) in accrued liabilities	-	(811)	(811)	-
Increase (decrease) in estimated claims payable	-	-	-	1,326,875
Increase (decrease) in due to other funds	279,117	1,250,000	1,529,117	486,097
Increase (decrease) in deposits on future events	-	131,704	131,704	-
Total adjustments	<u>2,323,810</u>	<u>(1,117,435)</u>	<u>1,206,375</u>	<u>1,812,972</u>
Net cash provided by (used for) operating activities	<u>\$ (509,139)</u>	<u>\$ (3,179,753)</u>	<u>\$ (3,688,892)</u>	<u>\$ (306,320)</u>
 Noncash investing, capital, and financing activities:				
Contributions of capital	\$ 6,751,905	\$ -	\$ 6,751,905	\$ -
Acquisitions of property, plant and equipment through capital contributions	(6,751,905)	-	(6,751,905)	-
Gain on fair market value of investments	-	-	-	-
(Increase) in fair market value of investments	-	-	-	-
Net effect of noncash activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2011**

	AIRPORT SALES TAX FUND
ASSETS	
Receivables (net, where applicable, of allowance for uncollectibles)	
Intergovernmental	<u>245,991</u>
Total assets	<u><u>\$ 245,991</u></u>
LIABILITIES	
Due to other governments	<u>\$ 245,991</u>
Total liabilities	<u><u>\$ 245,991</u></u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Kenner, Louisiana's (the "City") system of government is established by its Home Rule Charter which became effective in 1974. The City operates under a mayor-council form of government. The financial statements of City of Kenner, Louisiana have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

1. REPORTING ENTITY

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

Based on the aforementioned criteria, the City of Kenner has no component units.

The Police Chief is an elected official elected by the citizenry in a general, popular election. The City Council approves the annual budget for the Police Department and dedicates portions of the City's revenues to fund this department. The Police Department is not legally separate, and therefore is a function of the primary government and its operations are reported as a part of the City's General Fund.

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. Interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Certain *indirect costs* are included as part of the program expenses reported for individual functions and activities. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual enterprise funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the *economic measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements (except agency funds which do not have a measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, franchise taxes, beer taxes, parking taxes and certain state shared revenues such as tobacco taxes, parish transportation funds, and video poker monies. Sales taxes collected and held by intermediary collecting governments at year-end on behalf of the City government also are recognized as revenue. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources and expenditures of the general government, except those required to be accounted for in another fund.

The *One Percent Sales Tax of 1984 Fund* accounts for the proceeds of sales taxes generated by a 1 percent sales tax increase. These funds are to be used to fund a municipal homestead exemption, police protection and various other city services.

The *Community Development Block Grant Fund* accounts for grants received from the Federal Community Development Block Grant Program.

The *Fire Protection Fund* accounts for the proceeds of ad valorem taxes which are specifically dedicated for the functions performed by this fund.

The *General Debt Fund* accounts for the tax levy needed to comply with the interest and principal redemption requirements of bond indentures for the following excess revenue and sales tax bonds:

Sales Tax Bonds Series 1994
Sales Tax Bonds Series 1995A
Sales Tax Bonds Series 2003
Excess Revenue Bonds Series 2001

The *General Capital Projects Fund* accounts for projects originally funded by the General Fund and the Department of Wastewater Operations Fund. Also included are projects funded by riverboat fees.

The *Capital Projects Funded with Bond Proceeds* accounts for projects originally funded by the 1987A Series Bond proceeds, the 1987B Series Bond proceeds, and the 1988 Series Bond proceeds. These bonds were refunded by the Sales Tax Refunding Bonds, Series 1992 and subsequently by the Sales Tax Bonds Series 2003. Also included are projects funded by loans from the Louisiana Department of Environmental Quality (LDEQ) and the Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA) and proceeds from the Excess Revenue Bonds Series 2000 and 2001.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

The City reports the following major proprietary funds:

The *Department of Wastewater Operations Fund* accounts for the sewer services provided to the residents of the City of Kenner. Effective July 1, 1995, this department was privatized.

The *Civic Center Operations Fund* accounts for the operations of the Pontchartrain Civic Center.

The City reports one fiduciary fund, which is an agency fund and it accounts for assets held by the City as an agent for other governmental entities.

The Airport Sales Tax Fund (agency fund) is used to account for the proceeds of sales taxes generated from a special 2% sales tax assessed within the Airport Taxing District, and to distribute to the appropriate taxing bodies. This fund is custodial in nature and does not involve measurement of results of operations. Accordingly, it presents only a statement of fiduciary net assets and does not present a statement of changes in fiduciary net assets.

Additionally, the City reports the following fund types:

Internal service funds account for health insurance and self insurance (automobile, property damage, worker's compensation) provided to other departments or agencies of the City on a cost reimbursement basis.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Department of Wastewater Operations Fund, Civic Center Operations Fund and of the City's internal service funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

The City reports uncollected revenue on its governmental fund balance sheet. Uncollected revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has legal claim to the resources, the liability for deferred revenue is removed from the governmental fund balance sheet and revenue is recognized.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. BUDGETARY ACCOUNTING

Formal budgetary accounting is employed as a management control device and budgets are legally adopted at the fund level, except for the General Fund for which appropriations are adopted at the department level. Budgets are included as either required supplementary information or other supplementary information for the following funds:

General Fund

Special Revenue Funds

- One Percent Sales Tax of 1984
- Community Development Block Grant
- Garbage Collection and Disposal
- Roads and Bridges
- Street Lighting
- Fire Protection

Debt Service Funds

- General Debt
- Ad Valorem Tax Bonds
- Firemen's Pension Merger Fund

Enterprise Funds

- Department of Wastewater Operations
- Civic Center Operations

Budgetary data for the Capital Project Funds are not presented since these funds are budgeted over the life of the respective project and not on an annual basis. Budgetary accounting is not used for the Internal Service Funds (Self Insurance and Health Insurance Funds) because management considers effective budgetary control achieved since their amounts, which are charged back to other funds, are included as expenditures in each Fund's budget.

Expenditures may not exceed budgeted appropriations at the fund level, except for the General Fund which is at the departmental level. Appropriations lapse at year-end.

Budgets for the General, Special Revenue, Debt Service Funds, and Proprietary Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase.

5. CASH, INVESTMENTS AND POOLED ASSETS

The City maintains three cash pools as follows:

- a. General Pool - maintains cash balances for all funds except the paving assessments and sewerage assessments funds.
- b. Paving Assessments Pool - maintains cash balances for the General Fund and Debt Service Fund.
- c. Sewerage Assessments Pool - maintains cash balances for the General Fund and Debt Service Fund.

The City follows the practice of pooling cash of all funds except for Internal Service Funds and restricted funds due to Trust Agreements and Bond Indenture Agreements. Total cash of the Pool is reported in all funds as "Equity in Pooled Cash". Funds with a negative Equity in Pooled Cash report the advance as an interfund payable and the General Fund, which has been determined to be the receivable fund by management, reports an offsetting interfund receivable. Interest earned on pooled cash is allocated to each individual fund based on its month end "Equity in Pooled Cash".

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. CASH, INVESTMENTS AND POOLED ASSETS (CONTINUED)

The entire cash balances in the General Pool Cash account, the Capital Projects Funded with Bond Proceeds and the Enterprise Funds are invested in interest bearing bank accounts. Interest is allocated among funds in the General Pool Cash account on the basis of ending monthly cash balances. The balances not needed for transactions in the other accounts are deposited in individual money market funds earning interest at market rates; minimal checks can be written on these accounts.

For the purpose of the statement of net assets, cash includes all demand and money market accounts of the City. For the purpose of the proprietary funds statement of cash flows, all highly liquid investments (including "equity in pooled cash") with maturity of three months or less when purchased are considered to be cash equivalents.

The City is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the United States, or laws of the United States. Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. State Law R.S. 39:1225 provides that the amount of the security shall at all times be equal to 100% of the amount on deposit to the credit of each depositing authority, except that portion of the deposits insured by any governmental agency insuring bank deposits, which is organized under the laws of the United States.

State Law R.S. 33:2955 allows the investment in direct United States Treasury obligations; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, which are federally sponsored; direct security repurchase agreements of any federal book entry only securities guaranteed by the U.S. government; time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana; savings accounts or shares of certain savings and loan associations and savings banks; certain accounts of federally or state chartered credit unions; certain mutual or trust fund institutions; certain guaranteed investment contracts; and investment grade commercial paper of domestic United States corporations.

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 31, *"Accounting and Financial Reporting for Certain Investments and for External Investment Pools"*, all investments are reported at fair value with gains and losses included in the statement of revenue and expenses.

6. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

7. INVENTORIES

The inventory of materials and supplies acquired by the governmental funds is accounted for under the purchase method. The inventory of parts for vehicle maintenance is accounted for under the consumption method. All inventories are recorded in the General Fund at cost, determined by the first-in, first-out method.

8. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond June 30, 2011 are recorded as prepaid items under the consumption method in both government-wide and fund financial statements.

9. CAPITAL ASSETS

Capital assets, which include land and land improvements, buildings, improvements other than buildings, vehicles, furniture, fixtures and equipment, and infrastructure assets (streets, roads, bridges, canals, and sewer and drainage systems), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. CAPITAL ASSETS (CONTINUED)

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major additions are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Depreciation on all capital assets, excluding land improvements and construction in progress, is calculated on the straight-line method over the following estimated useful lives:

<u>Asset Description</u>	<u>Asset Life</u>
Buildings and Building Improvements	40
Street system	20 to 40
Drainage system	25
Office Equipment	5 to 12
Machinery and Equipment	10
Vehicles	5
Bridges	40 to 80
Sewerage system	10 to 50

10. INTANGIBLE ASSETS

During the fiscal year ended June 30, 2010, the City implemented Governmental Accounting Standards Board Statement (GASBS) No. 51, "*Accounting and Financial Reporting for Intangible Assets*." This statement requires governments to classify certain intangible assets as capital assets. The City established a policy to capitalize any intangible assets, as defined in GASBS No. 51, which exceed \$50,000. Implementation of GASBS No. 51 did not have a material effect on the financial statements of the City.

11. COMPENSATED ABSENCES

Vacation (annual leave) and sick pay (sick leave) are accrued when earned. Accumulated annual leave and vested sick leave as of the end of the fiscal year is valued using employees' current rates of pay and the liability for these compensated absences is recorded as long-term debt in the government-wide financial statements.

In the fund financial statements, the governmental funds report a liability for compensated absences for the amount that has matured as a result of employee resignations and retirements. In accordance with Statement No. 16 of the Governmental Accounting Standards Board, "*Accounting for Compensated Absences*", an additional liability is recorded for salary related payments associated with the future payment of compensated absences.

12. LONG-TERM OBLIGATIONS

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond and loan premiums and discounts are deferred and amortized over the life of the bonds or loans using the effective interest method. Bonds and loans payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt using the straight-line method.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. LONG-TERM OBLIGATIONS (CONTINUED)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

13. FUND EQUITY

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

Beginning with fiscal year ended June 30, 2011, the City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance—amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact.
- Restricted fund balance—amounts constrained for specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance—amounts constrained for specific purposes by the City itself, using its highest level of decision-making authority, which are proposed by the Mayor and approved by the City Council. To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.
- Assigned fund balance—amounts the City intends to use for a specific purpose that are neither considered restricted nor committed. Intent can be expressed by the City or by an official or body to which the City delegates the authority. Under the City's policy, the Mayor and City Council may assign amounts for specific purposes and the City Council can approve
- Unassigned fund balance—the residual amount of fund balance which does not fall into one of the other components. Positive amounts are reported only in the general fund.

Beginning fund balances for the Institute's governmental funds have been restated to reflect the above classifications.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balance are available, the City considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the City has provided otherwise in its commitment or assigned actions. The City does not have a formal minimum fund balance policy.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. INTERFUND SERVICES

Interfund services are accounted for as revenues, expenditures or expenses. Interfund services that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund services are reported as transfers.

For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

15. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. BUDGETARY PROCEDURES

The procedures used by the City in establishing the budgetary data reflected in the financial statements are as follows:

- a. On or before May 1 of each year, the Mayor recommends to the City Council proposed operating and capital budgets for the ensuing fiscal year. The budget is prepared by fund, department (for the General Fund), function, and object, and includes information on the past year, current year estimates, and requested appropriations for the ensuing fiscal year.
- b. The proposed budget is summarized and advertised and, by June 15, public hearings are conducted to obtain taxpayer comments.
- c. The operating budget is then legally adopted through council ordinance by June 15.
- d. The Mayor is authorized to transfer budgeted amounts within funds, except for the General Fund which is at the departmental level; however, any revisions that alter the total expenditures of a fund or department in the case of the General Fund must be approved by the City Council.

2. BUDGETARY COMPARISON

The budget data reflected in the Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual includes the effect of such appropriation amendments approved by the City Council during the current year. These amendments may reappropriate designated and/or reserved funds rolling forward from the previous year as well as amend the distributions of operating funds already appropriated.

Under GASB No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The City adopts annual operating budgets for the general fund and all special revenue funds. The major special revenue funds are One Percent Sales Tax of 1984 Fund, Community Development Block Grant Fund, and Fire Protection Fund. Since accounting principles applied for the purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with generally accepted accounting principles (GAAP), a reconciliation of the resulting basis and timing differences in the net change in fund balances for the year ended June 30, 2011 is presented as a note in Required Supplementary Information.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE C - DEPOSITS AND INVESTMENTS

Deposits

At June 30, 2011, the City of Kenner has cash (book balances) totaling \$12,032,834 as follows:

Governmental Funds:	
Petty cash	\$ 100
Demand deposits	6,761,459
Money market funds	3,280,631
Proprietary Funds:	
Enterprise Fund	
Petty cash	500
Demand deposits	422,639
Advance to manager	277,314
Internal Service Fund:	
Demand deposits	<u>1,290,191</u>
	<u>\$12,032,834</u>

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be recovered. The City's deposit policy for custodial credit risk conforms to state law, as described in Note A. At June 30, 2011, the City's demand deposits and money market funds bank balances of \$15,332,256 were entirely secured by federal deposit insurance and pledged securities held by the City's agent in the City's name. The money market funds are invested in U.S. Treasury securities held by the City's agent in the City's name.

Investments

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investment. The City is not exposed to custodial credit risk at June 30, 2011 since the investments are held in the name of the City. The City's investment policy conforms to state law, as described in Note A, which has no provision for custodial credit risk.

Concentration of credit risk relates to the amount of investments in any one entity. At June 30, 2011, the City had no investments in any one entity which exceeded 5% of total investments, except obligations of government-sponsored entities, which are implicitly guaranteed by the federal government.

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy conforms to state law, which does not include a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2011, the City had the following investment in debt securities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
Obligations of Government-Sponsored Entities	<u>\$8,345,369</u>	<u>\$8,345,369</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

Credit risk is defined as the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The City invested only in obligations of government-sponsored entities in the amount of \$8,345,369, which are rated AAA by Standard & Poor's. The type of investments allowed by state law ensures that the City is not exposed to credit risk.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE D - EQUITY IN POOLED CASH

A reconciliation of total equity in pooled cash is presented below.

	General Pool	Paving Assessments Pool	Sewerage Assessments Pool	Total
<u>Equity in Pooled Cash</u>				
Cash	\$ <u>3,769,878</u>	\$ <u>281,793</u>	\$ <u>5,406</u>	\$ <u>4,057,077</u>
Total Equity in Pooled Cash	\$ <u>3,769,878</u>	\$ <u>281,793</u>	\$ <u>5,406</u>	\$ <u>4,057,077</u>
<u>Equity in Pool</u>				
General	\$ 828,761	\$ 265,438	\$ 5,406	\$ 1,099,605
Community Development	921,966	-	-	921,966
General Debt	741,691	16,355	-	758,046
Consolidated Capital Projects with Bond Proceeds	995,263	-	-	995,263
Nonmajor Governmental	<u>282,197</u>	<u>-</u>	<u>-</u>	<u>282,197</u>
Total Equity in Pool	\$ <u>3,769,878</u>	\$ <u>281,793</u>	\$ <u>5,406</u>	\$ <u>4,057,077</u>

Daily operations may occasionally result in minor deficiencies in individual allocations of pooled cash which are resolved by temporary interfund loans.

NOTE E - ALLOWANCE FOR DOUBTFUL ACCOUNTS

An allowance for estimated uncollectible receivables is established based on historical collection experience and other relevant circumstances. The allowance for estimated uncollectibles at June 30, 2011, consists of the following amounts:

General Fund	\$ <u>870,993</u>
Proprietary Funds:	
Department of Wastewater Operations	\$ <u>56,755</u>

NOTE F - SALES TAX

A sales tax of 8.75% for the period of July 1, 2010 through June 30, 2011 was collected on purchases in the City of Kenner (food and drugs are taxed at a 6% rate, and hotel/motel rooms at a 9% rate). Of the 8.75% total, 4.0% is levied by the state, and 4.75% by Jefferson Parish, for itself and other local government subdivisions within the Parish. The following table for parish taxes lists the effective year of each authorized tax rate, the Parish-wide tax rate (which includes $\frac{1}{6}\%$ retained by the Parish), the rate collected for the benefit of the Jefferson Parish School Board, and the rate collected for the benefit of the City of Kenner.

Effective Date	Parish-Wide Rate	School Board Rate	City Rate
1954	1%	$\frac{1}{2}\%$	$\frac{1}{2}\%$
1966	1%	$\frac{1}{2}\%$	$\frac{1}{2}\%$
1980	$\frac{1}{2}\%$	$\frac{1}{2}\%$	-
1981	$\frac{1}{2}\%$	-	$\frac{1}{3}\%$
1984	1%	-	1
1993	$\frac{1}{2}\%$	$\frac{1}{2}\%$	-
1994	$\frac{1}{4}\%$	-	$\frac{1}{4}\%$
TOTAL	<u>$4\frac{3}{4}\%$</u>	<u>2%</u>	<u>$2\frac{7}{12}\%$</u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE F - SALES TAX (CONTINUED)

The Jefferson Parish Sheriff's Office (a separate reporting entity) collects all parish taxes, except on motor vehicle sales, and retains 9.5 to 11 percent as a collection commission on the share going to local governments. The state collects parish taxes on motor vehicle sales and remits them back to the parish of registration.

The Sheriff prorates this motor vehicle tax back to the municipalities in proportion to the sales tax collected within each municipality. Taxes due on sales in a month must be remitted by the merchants to the Sheriff by the 20th of the following month. The Sheriff distributes these collections to the local governments approximately 30 days later.

NOTE G - AD VALOREM TAX

The ad valorem tax on real property is levied as of November 15th of each year. The tax becomes an enforceable lien on the property on the first day of the month following the filing of the tax rolls by the Assessor with the Louisiana Tax Commission (usually December 1st). The tax bills are mailed by the City in mid November and are due upon receipt. The taxes become delinquent on January 1st in the year after levy. The taxes are levied on property values determined by the Jefferson Parish Assessor's Office. All land and residential improvements are assessed at 10 percent of their fair market value and other property at 15 percent of its fair market value. Ad valorem taxes are levied (per \$1,000 assessed value) in varying amounts for maintenance and operation, debt service and capital improvements for the City. The number of mills levied for 2010, which are collected and reported as revenue for the fiscal year ended June 30, 2011 is as follows:

FUND	2010 MILLS
General Fund	\$ 2.08
Garbage Collection and Disposal Fund	1.61
Fire Department Fund	7.40
Department of Wastewater Operations Fund	1.14
Capital Projects for Road Bonds Fund	5.90
Total	<u>\$18.13</u>

NOTE H - CAPITAL ASSETS

1. Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

	<u>June 30, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>June 30, 2011</u>
Construction					
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 9,674,378	\$ -	\$ -	\$ -	\$ 9,674,378
Construction-in-progress	<u>20,330,732</u>	<u>82,765</u>	<u>-</u>	<u>(2,985,770)</u>	<u>17,427,727</u>
Total capital assets not being depreciated	<u>30,005,110</u>	<u>82,765</u>	<u>-</u>	<u>(2,985,770)</u>	<u>27,102,105</u>
Capital assets being depreciated:					
Buildings and building improvements	52,216,552	-	-	1,116,845	53,333,397
Improvements other than buildings	5,221,553	53,278	-	1,351,050	6,625,881
Street system	275,946,370	-	-	-	275,946,370
Drainage system	370,623,467	-	-	-	370,623,467
Furniture, Fixtures and Equipment	18,055,602	320,166	(782,958)	517,875	18,110,685

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE II - CAPITAL ASSETS (CONTINUED)

	<u>June 30, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>June 30, 2011</u>
Vehicles	\$ 12,963,780	\$ 553,475	\$(1,078,295)	\$ -	\$ 12,438,960
Bridges	<u>2,787,808</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,787,808</u>
Total capital assets being depreciated	<u>737,815,132</u>	<u>926,919</u>	<u>(1,861,253)</u>	<u>2,985,770</u>	<u>739,866,568</u>
Less accumulated depreciation for:					
Buildings and building improvements	29,445,895	951,013	-	-	30,396,908
Improvements other than buildings	1,041,548	245,111	-	-	1,286,659
Street system	164,194,966	7,358,405	-	-	171,553,371
Drainage system	282,056,476	7,858,890	-	-	289,915,366
Furniture, fixtures and equipment	11,961,813	898,321	(780,325)	-	12,079,809
Vehicles	10,057,725	722,132	(1,043,077)	-	9,736,780
Bridges	<u>627,722</u>	<u>81,029</u>	<u>-</u>	<u>-</u>	<u>708,751</u>
Total accumulated depreciation	<u>499,386,145</u>	<u>18,114,901</u>	<u>(1,823,402)</u>	<u>-</u>	<u>515,677,644</u>
Total capital assets being depreciated, net	<u>238,428,987</u>	<u>(17,187,982)</u>	<u>(37,851)</u>	<u>2,985,770</u>	<u>224,188,924</u>
Governmental activities capital assets, net	<u>\$ 268,434,097</u>	<u>\$ (17,105,217)</u>	<u>\$ (37,851)</u>	<u>\$ -</u>	<u>\$ 251,291,029</u>

Business-Type Activities

	<u>June 30, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>June 30, 2011</u>
Capital assets not being depreciated:					
Land	\$ 3,798,726	\$ -	\$ -	\$ -	\$ 3,798,726
Construction in progress	<u>4,821,984</u>	<u>6,706,005</u>	<u>-</u>	<u>-</u>	<u>11,527,989</u>
Total capital assets not being depreciated	<u>8,620,710</u>	<u>6,706,005</u>	<u>-</u>	<u>-</u>	<u>15,326,715</u>
Capital assets being depreciated:					
Buildings and building improvements	101,313,995	-	-	-	101,313,995
Improvements other than buildings	1,754,533	-	-	-	1,754,533
Furniture, fixtures and equipment	17,335,706	45,900	-	-	17,381,606
Vehicles	<u>1,398,938</u>	<u>-</u>	<u>(54,588)</u>	<u>-</u>	<u>1,344,350</u>
Total capital assets being depreciated	<u>121,803,172</u>	<u>45,900</u>	<u>(54,588)</u>	<u>-</u>	<u>121,794,484</u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE H - CAPITAL ASSETS (CONTINUED)

	<u>June 30, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>June 30, 2011</u>
Less accumulated depreciation for:					
Buildings and building					
Improvements	\$ 47,879,093	\$ 3,105,532	\$ -	\$ -	\$ 50,984,625
Improvements					
other than buildings	1,405,164	72,953	-	-	1,478,117
Furniture, fixtures and					
equipment	12,330,775	356,893	-	-	12,687,668
Vehicles	<u>1,344,029</u>	<u>6,460</u>	<u>(54,588)</u>	<u>-</u>	<u>1,295,901</u>
 Total accumulated					
depreciation	<u>62,959,061</u>	<u>3,541,838</u>	<u>(54,588)</u>	<u>-</u>	<u>66,446,311</u>
Total capital assets being					
depreciated, net	<u>58,844,111</u>	<u>(3,495,938)</u>	<u>-</u>	<u>-</u>	<u>55,348,173</u>
 Business-type activities					
capital assets, net	<u>\$ 67,464,821</u>	<u>\$ 3,210,067</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,674,888</u>

2. Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	\$ 340,452
Public safety	1,182,455
Public works	15,573,406
Culture and recreation	1,015,853
Health and Welfare	<u>2,735</u>
 Total depreciation expense - governmental activities	<u>\$ 18,114,901</u>
 Business-type activities:	
Wastewater Operations	\$ 2,285,993
Civic Center Operations	<u>1,255,845</u>
 Total depreciation expense - business-type activities	<u>\$ 3,541,838</u>

3. Construction in progress for governmental activities is comprised of the following:

	<u>Project/Contract Authorization June 30, 2011</u>	<u>Expended to June 30, 2011</u>	<u>Committed</u>	<u>Required Future Financing</u>
General government	\$ 768,015	\$ 768,015	\$ --	\$ --
Public works	13,404,304	12,656,508	747,796	747,796
Public safety	825,184	787,361	37,823	37,823
Culture and recreation	<u>3,230,383</u>	<u>3,215,843</u>	<u>14,540</u>	<u>14,540</u>
Total	<u>\$ 18,227,886</u>	<u>\$ 17,427,727</u>	<u>\$ 800,159</u>	<u>\$ 800,159</u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE I - LONG-TERM DEBT

1. GENERAL OBLIGATION, SPECIAL TAX AND EXCESS REVENUE BONDS

Long-term debt at June 30, 2011 includes the following serial bonds and certificates:

	Interest Rates	Final Maturity Date	Range of Annual Principal Payments		Amount Issued	Amount Outstanding
			From	To		
Sales Tax Bond, Series 2003	1.3 – 5.0%	6/01/2018	\$ 2,425,000	\$ 3,055,000	\$ 35,895,000	\$ 18,945,000
Sales Tax Bonds, Series 1994	2.45%	6/01/2016	660,000	740,000	11,427,803	3,500,000
Sales Tax Bonds, Series 1995A	2.45%	6/01/2016	80,000	90,000	1,462,875	425,000
Certificates of Indebtedness, Series 2001	3.55 – 4.10%	7/01/2011	200,000	200,000	<u>1,500,000</u>	<u>200,000</u>
Total Bonds and Certificates					<u>\$ 50,285,678</u>	<u>\$ 23,070,000</u>

Additional information pertaining to the foregoing bonds and certificates is as follows:

a. Sales Tax Bonds

The Sales Tax Bonds, Series 2003 and the Sales Tax Bonds, Series 1994 and 1995A are all obligations of the City. These bonds are secured by and payable from the City's allocation of the proceeds of sales taxes collected pursuant to Louisiana Legislative Acts 188 of 1954 and 29 of 1966 collected and remitted by the Parish of Jefferson. At June 30, 2011, bonds outstanding were \$18,945,000, \$3,500,000 and \$425,000, respectively.

The amounts outstanding for the Sales Tax Bonds, Series 1994 and 1995A represent the unpaid amounts drawn down as of June 30, 2011 through loans obtained from the Louisiana Department of Environmental Quality. These loans are secured by the Sales Tax Bonds, Series 1994 and 1995A.

The City has developed a Wastewater Compliance Plan as a result of an EPA Administrative Order to perform those tasks necessary for its three wastewater treatment plants to comply with the effluent limitations of their discharge permits. In July 1994, the City obtained approval for a loan in the amount of \$11,430,000 from the Louisiana Department of Environmental Quality (LDEQ), of which \$11,427,803 was actually received. The loan will be repaid over a period of twenty years commencing with the completion of the project. Interest payments and an administrative fee is payable semi-annually at a rate of 2.45% and .50%, respectively, based on the total amounts drawn on the loan. At June 30, 2011, the loan had an outstanding balance of \$3,500,000. Total interest and administrative fees paid during the year ended June 30, 2011 were \$101,430 and \$20,700, respectively.

Due to the shortage of funding, in April 1995 the City obtained approval for a second Louisiana Department of Environmental Quality loan in the amount of \$3,395,000, of which \$1,462,875 was actually received. The loan will be repaid over a period of twenty years commencing with the completion of the project. The characteristics of this second loan are similar to those noted on the first loan above. At June 30, 2011, the loan had an outstanding balance of \$425,000. Total interest and administrative fees paid during the year ended June 30, 2011 were \$12,373 and \$2,525, respectively.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1 - LONG-TERM DEBT (CONTINUED)

1. GENERAL OBLIGATION, SPECIAL TAX AND EXCESS REVENUE BONDS (CONTINUED)

a. Sales Tax Bonds (Continued)

The funding necessary to service these loans was obtained from the dedication of the 1954 (1/2 cent) and 1966 (1/2 cent) sales tax revenues.

b. Excess Revenue Bonds

Certificates of Indebtedness Series 2001 were issued for the purchase of land in the Laketown area. At June 30, 2011, bonds outstanding were \$200,000.

2. FIREMEN'S PENSION MERGER PAYABLE

In March 1998, the required three-fourths vote of the active and inactive members approved the pension merger with the Firefighters Retirement System ("FRS"). Approval of the merger was received from the FRS and the Joint Retirement Committee. The City Council approved the merger in December 1998 and signed an agreement with SFRS on March 25, 1999 regarding the payment of the merger liability. The final merger liability as of March 27, 1999 was \$14,050,233, which represents 60% of the accrued liability for active employees, \$6,301,446, and 100% of the accrued liability for retired employees, \$7,748,787. The Fund transferred assets in the amount of \$11,130,143 to the FRS to pay the merger liability. The value of the transferred assets for purposes of the merger as discounted from the date of receipt to the merger date of March 27, 1999, at the system's actuarial valuation interest rate of 7% was \$11,089,495. The remaining liability of \$2,960,738 plus interest at the rate of 7% per annum was assumed by the City of Kenner to be paid over 30 years.

The City has split the liability to be amortized into two components as follows:

\$1,190,000 of the liability is payable monthly at a rate of 7%. The monthly payments including interest are \$7,917. At June 30, 2011, the merger payable for this component had a total outstanding balance of \$964,059.

\$1,770,738 of the liability is payable annually at a rate of 7%. The annual payments including interest are \$142,697. At June 30, 2011, the merger payable for this component had a total outstanding balance of \$1,435,406.

The funding necessary to service this merger payable is provided by the dedication of the fire insurance tax received from the State of Louisiana.

3. LOUISIANA COMMUNITY DEVELOPMENT AUTHORITY LOAN

In 2003, the City executed a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (the "LCDA") for the purpose of providing funding for acquisition, construction, and maintenance of roads within the City. The LCDA Revenue Bonds (Kenner Road Project) Series 2003 authorized a loan amount of \$22,000,000. Loan Proceeds of \$22,000,000 were received in April 2003. As of June 30, 2011, \$11,765,000 of such loans was outstanding.

4. LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY LOAN

In 2009, the City executed a loan agreement with the Louisiana Department of Environmental Quality (the "LDEQ") for the purpose of providing funding for the rehabilitation of the sewer system within the City. The LDEQ Taxable Sewer Bonds Series 2009 authorized a loan amount of \$22,000,000. Loan Proceeds of \$8,459,187 were received during the fiscal year ended June 30, 2011. As of June 30, 2011, \$10,609,808 was outstanding. No principal repayment is required until the earliest of 1 year after the completion date of the project or 2 years after the closing date. Total interest and administrative fees paid during the year ended June 30, 2011 were \$9,526 and \$10,584, respectively.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE I - LONG-TERM DEBT (CONTINUED)

5. GENERAL DEBT

a. Lease Obligations

The City has operating lease obligations on various facilities and equipment. See Note O - Lease Commitments - General.

b. Compensated Absences

General

All employees, except police and fire employees, earn sick leave at the following rates:

Full time employees:	1 day/month not to exceed 12 days/year
Regular part time employees:	$\frac{1}{2}$ day/month not to exceed 6 days/year

Employees earn annual leave in varying amounts according to years of service as follows:

<u>Service (years)</u>	<u>Amount</u>
Full time employees:	
0 - 5	1 day/month
5 - 10	1 $\frac{1}{2}$ day/month
over 10	2 days/month
Regular part time employees:	
0 - 5	$\frac{1}{2}$ day/month
5 - 10	$\frac{3}{4}$ day/month
over 10	1 day/month

Employees are required to use their annual leave during the calendar year following the year in which it is earned. Annual leave not used by December 31 of the calendar year is determined for each employee. Half of this leave is lost and half is carried forward to be paid upon separation of service or may be used in lieu of sick leave once sick leave has been exhausted. This carryforward time is not available to be taken as annual leave in future periods. Annual leave is payable upon separation of service. Sick leave is accumulated without time limitation and is payable up to a maximum of 90 days upon retirement or death.

In accordance with Statement No. 16 of the Governmental Accounting Standards Board, "*Accounting for Compensated Absences*", an additional liability is recorded for salary related payments associated with the future payment of compensated absences. Such salary related payments consist of the City's portion of Medicare tax expense.

For governmental activities, compensated absences are generally liquidated by the general fund, community development fund, roads and bridges fund, street lighting fund, and fire department fund.

Fire Department

Firefighters receive 18 days of annual leave after one year of service. After 10 years of service employees receive one additional day of annual leave for each additional year of service to a maximum of 30 days per year. Vacation time not used by December 31 is lost.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - LONG-TERM DEBT (CONTINUED)

Fire Department (Continued)

Firefighters receive 90 days of sick leave when they join the Department. Any sick time taken is applied against this accumulation. At retirement, the employee is paid for any unused sick leave up to a maximum of 90 days. Firefighters receive 365 days of sick leave with medical determination.

Police Department

Police personnel earn annual leave in varying amounts according to years of service as follows:

<u>Years Service</u>	<u>Civil Service Amount</u>
0 - 1 Year	0 Days
1 - 10 Years	15 Days
10 - 20 Years	20 Days
Over 20 Years	25 Days

Non-civil service employees earn annual leave as previously detailed for general employees of the City.

These hours are accrued on January 1st and are for use only in the calendar year. Hours not taken by December 31st are lost. If an employee terminates employment, he or she is paid for the annual leave remaining on the books.

Police personnel earn sick leave at the following rates:

Full time employees:	8 hours/month not to exceed 12 days (96 hours)/year
Regular part time employees:	1/2 day (4 hours)/month not to exceed 6 days (48 hours)/year

Upon retirement, employees are entitled to receive pay for accrued, unused sick leave days up to a maximum of 90 days.

6. CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2011:

	<u>Balance 6/30/2010</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Discount/ (Premium)</u>	<u>Balance 6/30/2011</u>	<u>Net of Unamortized Premium 6/30/2011</u>	<u>Due within One Year</u>
Governmental Activities							
Sales Tax							
Revenue Bonds	\$ 26,433,585	\$ -	\$ 3,075,000	\$ (96,523)	\$ 23,262,062	\$ 22,870,000	\$ 3,165,000
Certificate of Indebtedness	200,000	-	-	-	200,000	200,000	200,000
Note Payable	2,465,430	-	65,965	-	2,399,465	2,399,465	70,643
LCDAs Series 2003 Loan	13,323,124	-	1,440,000	(24,531)	11,858,593	11,765,000	1,490,000
LIDIQ Series 2009 Loan	2,150,621	8,459,187	-	-	10,609,808	10,609,808	1,019,000
Compensated Absences	<u>4,568,571</u>	<u>1,341,623</u>	<u>1,328,389</u>	<u>-</u>	<u>4,581,805</u>	<u>4,581,805</u>	<u>2,421,474</u>
Total Governmental Activities	<u>\$ 49,141,331</u>	<u>\$ 9,800,810</u>	<u>\$ 5,909,354</u>	<u>\$ (121,054)</u>	<u>\$ 52,911,733</u>	<u>\$ 52,426,078</u>	<u>\$ 10,721,117</u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - LONG-TERM DEBT (CONTINUED)

Fire Department

The annual requirements to maturity for sales tax bonds as of June 30, 2011 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 3,165,000	\$ 884,646
2013	3,265,000	788,854
2014	3,365,000	686,286
2015	3,470,000	577,989
2016	3,625,000	420,991
2017-2018	<u>5,980,000</u>	<u>409,838</u>
	22,870,000	<u>\$ 3,768,604</u>
Plus Bond Premium	<u>392,062</u>	
Net Debt Service Requirement	<u>\$ 23,262,062</u>	

The annual requirements to maturity for the certificates of indebtedness as of June 30, 2011 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2012	<u>\$ 200,000</u>	<u>\$ 4,100</u>

The annual requirements to maturity for the Firemen's Pension Merger Payable as of June 30, 2011 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 70,643	\$ 167,059
2013	75,653	162,049
2014	81,019	156,684
2015	86,765	150,938
2016	92,919	144,784
2017-2021	573,311	615,202
2022-2026	807,607	380,906
2027-2029	<u>611,548</u>	<u>77,843</u>
	<u>\$ 2,399,465</u>	<u>\$ 1,855,465</u>

The annual requirements to maturity for the LCDA Series 2003 Loan as of June 30, 2011 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 1,490,000	\$ 483,480
2013	1,550,000	427,605
2014	1,610,000	367,155
2015	1,670,000	302,755
2016	1,740,000	234,285
2017-2018	<u>3,705,000</u>	<u>244,365</u>
	11,765,000	<u>\$ 2,059,645</u>
Plus Bond Premium	<u>93,593</u>	
Net Debt Service Requirement	<u>\$ 11,858,593</u>	

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE I - LONG-TERM DEBT (CONTINUED)

Fire Department Continued)

The annual requirements to maturity for the LDEQ Taxable Sewer Bond Series 2009 as of June 30, 2011 are as follows:

Year Ending June 30,	Principal	Interest
2012	\$ 1,019,000	\$ 70,883
2013	1,028,000	70,745
2014	1,036,000	60,941
2015	1,044,000	51,061
2016	1,052,000	41,105
2017-2021	5,387,000	76,637
2022	<u>43,808</u>	<u>9,949</u>
	<u>\$ 10,609,808</u>	<u>\$ 381,321</u>

7. COMPLIANCE

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

NOTE J - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A summary of interfund transfers at June 30, 2011 are as follows:

	Transfer In:								
	General Fund	Community Development Block Grant	Fire Protection Fund	General Capital Projects	Capital Projects Funded with Bond Proceeds	Nonmajor Governmental	Department of Wastewater Operations	General Debt	Total
Transfer Out:									
General Fund	\$ -	\$ 276,018	\$ 1,785,473	\$ 1,111,129	\$ -	\$ 128,860	\$ -	\$ -	\$ 3,301,480
One Percent Sales Tax of 1984 Fund	7,771,336	-	784,284	-	-	2,172,207	-	-	10,727,827
Fire Protection Fund	-	-	-	-	-	-	-	-	-
General Debt	-	-	-	-	-	-	-	-	-
General Capital Project	150,000	-	-	-	200,000	100,000	45,900	341,799	837,699
Civic Center Operations	-	-	-	<u>1,250,000</u>	-	-	-	-	<u>1,250,000</u>
Total	<u>\$ 7,921,336</u>	<u>\$ 276,018</u>	<u>\$ 2,569,757</u>	<u>\$ 2,361,129</u>	<u>\$ 200,000</u>	<u>\$ 2,401,067</u>	<u>\$ 45,900</u>	<u>\$ 341,799</u>	<u>\$ 16,117,106</u>

Transfers are primarily used to move funds from:

General Fund – to the Community Development Fund to cover the expenditures of the City's Resource centers, to the Fire Protection Fund for communication expenditures and because dedicated revenues are not sufficient to cover expenditures, to the General Capital Projects for the gaming revenues dedicated for capital projects, and to the Garbage Collection and Disposal Fund for garbage collection and debris removal expenditures.

One Percent Sales Tax of 1984 Fund - to the General, Garbage Collection & Disposal, and Fire Protection Funds to reimburse losses from homestead exemption and to pay expenditures for the Roads & Bridges and Street Lighting Funds.

General Capital Projects - to the General Debt Fund the 25% of riverboat revenues dedicated to debt service, to the General Fund to subsidize the Community Services department, to the Capital Projects Funded with Bond Proceeds Funds to transfer expenditures from one capital project fund to another, and to the Streets and Drainage Fund for fund additional personnel.

Civic Center Operations - to the General Capital Projects Fund to transfer a portion of the insurance proceeds from Hurricane Katrina to the Civic Center to purchase equipment and other capital projects.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE J - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

The composition of interfund balances as of June 30, 2011, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	One Percent Sales Tax of 1984 Fund	\$ 1,859,835
	Community Development Block Grant	764,844
	Fire Protection	1,139,213
	General Capital Projects	541,949
	Capital Projects Funded with Bond Proceeds	4,370,390
	General Debt Funds	614,999
	Nonmajor Governmental Funds	457,427
	Department of Wastewater Operations	3,597,349
	Internal Service Funds	561,265
	Agency Fund	12,611
One Percent Sales Tax of 1984 Fund	Nonmajor Governmental Funds	159,222
Fire Protection Fund	General Fund	524,932
	One Percent Sales Tax of 1984 Fund	91,280
	Nonmajor Governmental Funds	215,226
General Capital Projects	General Fund	8,475,471
	Civic Center Operations	1,250,000
Civic Center Operations	General Fund	2,140,580
Community Development Block Grant	General Capital Projects	33,783
	General Fund	55,982
Capital Projects Funded with Bond Proceeds	General Fund	580,794
	General Capital Projects	200,000
Department of Wastewater Operations	General Fund	82,083
	General Capital Projects	206,483
Nonmajor Governmental Funds	General Fund	1,054,229
	One Percent Sales Tax of 1984 Fund	57,173
		<u>\$ 29,047,120</u>

The above due to/from other funds were short-term receivables or payables in the normal course of the City's operations.

NOTE K - TREASURE CHEST RIVERBOAT CASINO AGREEMENT

The City of Kenner and Treasure Chest Casino, L.L.C. entered into a lease of property in Laketown, Kenner on December 3, 1993 for Treasure Chest Casino, L.L.C.'s riverboat gaming operations. The term of the lease is divided into three phases, an Initial Term, a Primary Term, and at the Lessee's option, one or more Renewal Terms. The "Initial Term" of the lease began on the date of execution and continued until July 1, 1994. The "Primary Term" of the lease was for five years beginning on July 1, 1994, and the Lessee has the option to extend the term of this lease for six additional Renewal Terms of five years each. Lease payments to the City include a minimum annual rent ("Base Rent") determined by multiplying the actual number of passengers during the first three quarters of the prior fiscal year by \$2.50. In addition to the Base Rent, the

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE K - TREASURE CHEST RIVERBOAT CASINO AGREEMENT (CONTINUED)

Lessee shall pay to the City an amount equal to \$2.50 for each passenger in excess of the number of passengers used to determine the Base Rent for that particular year ("Per Capita Rent"). In addition to the Base Rent and Per Capita Rent, the Lessee pays the City the "Percentage Rent" in an amount equal to the greater of 1% of its net gaming proceeds and any admission fees in excess of \$10.00 per passenger or the "minimum percentage rent". The Minimum Percentage Rent equals the Percentage Rent for the first three quarters of the preceding base fiscal year. Such Percentage Rent shall be used to subsidize City projects such as City Recreational Facilities, City Playgrounds, Tourism Advertisement and Brochures, Convention Center/Hotel Shuttle, Trolley Transportation, City Museums, Alzheimer's Center Operations, City Sponsored Summer Camps, and City Senior Citizens Activities. Any funds remaining shall be dedicated to City capital projects.

The Kenner Police Department is entitled to 24% of all lease revenues received by the City. Additionally, the lessee agrees to pay to the Kenner Police Department the greater of \$400,000 or 1% of net gaming proceeds.

In September 1994, the riverboat casino began operations.

NOTE L - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To account for and finance its uninsured risks of loss, the City has established a Self-Insurance Fund (an internal service fund). Under this program, the Self-Insurance Fund provides coverage for up to a maximum of \$500,000 for each general liability claim with commercial insurance for claims in excess of coverage provided by the fund up to \$10,000,000; \$500,000 for each auto liability claim with commercial insurance for claims in excess of coverage provided by the fund up to \$10,000,000; \$325,000 for each worker's compensation claim, excluding police and fire, with commercial insurance for claims in excess of coverage provided by the fund up to \$1,000,000; and \$400,000 for each police and fire workers compensation claim in with commercial insurance for claims in excess of coverage provided by the fund up to \$1,000,000. The City purchases commercial insurance for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Also, the Fund provides coverage for auto/physical damage which requires a \$1,000 deductible per department per occurrence. The remaining balance on the claim is paid by the Fund.

All funds of the City with employees, except for the Department of Wastewater Operations and the Civic Center Operations Funds, participate in the program and make payments to the fund based on an actuarial valuation dated November 2003 adjusted by the actual performance of the programs using historical experience. The claims liability of \$5,008,769 (which includes claims incurred but not reported in the Fund at June 30, 2011) is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Governmental Accounting Standards Board Statement No. 30, *"Risk Financing Omnibus - An Amendment of GASB Statement No. 10"*, requires that specific, incremental claim adjustment expenses and estimated recoveries be considered in calculating the claims liability.

Changes in the balances of claims liabilities during fiscal years 2009, 2010 and 2011 were as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2008 - 2009	\$ 2,944,459	\$ 1,232,582	\$ (693,843)	\$ 3,483,198
2009 - 2010	3,483,198	1,054,294	(855,598)	3,681,894
2010 - 2011	3,681,894	2,153,651	(826,776)	5,008,769

The amount of estimated claims payable due within one year of these financial statements is \$1,995,457.

HEALTH INSURANCE

The City provides health and accident insurance to its employees through health maintenance organizations (HMO's) and commercial insurance carriers. The City has no additional liability other than the initial premiums.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE M - COMMITMENTS AND CONTINGENCIES

LITIGATION

The City is a defendant in a number of claims and lawsuits resulting principally from personal injury and property damage. The City Attorney and outside counsel have reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City. As a result of such review, the various claims and lawsuits have been categorized into "probable", "reasonably possible", and "remote" contingencies as defined in GASB Codification C50. The City's "reasonably possible" loss contingencies have been estimated to be immaterial and have not been accrued in these financial statements. All material probable claims have been accrued as liabilities in the City's Self-Insurance Fund (see Note N for additional details) and General Fund.

FEDERALLY ASSISTED PROGRAMS

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements. The programs are audited in accordance with the Single Audit Act of 1984 and 1996 Amendments and also subject to further examination by the grantor agency. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements.

EPA ADMINISTRATIVE ORDER

On November 10, 1990, the United States Environmental Protection Agency (EPA) issued the City an Administrative Order for sewerage effluent violations. Failure to comply with an EPA Administrative Order could result in monetary fines or an EPA administrative penalty. As a result, the city initiated a \$15 million sewer rehabilitation project. See Note I for additional information regarding the financing of the 1990 sewer rehabilitation project.

On August 24, 2009, the Louisiana Department of Environmental Quality (LDEQ) issued the City a Consolidated Compliance Order & Notice of Potential Penalty for sewerage overflow violations which resulted in raw sewerage being discharged into waters of the State. As with the 1990 EPA Administrative Order discussed above, failure to comply with the provisions of the Order could subject the City to substantial administrative penalties or monetary fines.

EPA CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

The LDEQ Compliance Order mandates that the City take all steps necessary to achieve compliance with Water Quality Regulations including but not limited to avoiding overflows and complying with all effluent limitations by properly operating and maintaining the facility. Failure or refusal to comply could subject the City to civil penalties of \$50,000 for each day of continued violation or noncompliance.

Major renovations must be made to the City's sewer treatment and collection system to remedy the problems causing the LDEQ and EPA violations. The required renovations include the replacement or upgrading of lift stations, expansion and upgrading of the City's wastewater treatment plant capacity, repair and replacement of gravity sewer lines, and procuring generators to service the sewer system during emergencies.

The City's engineers estimate that the total costs of the required renovations will be \$60 million. On December 10, 2009, the City entered into an agreement for a \$22 million construction loan at .95% interest from the Clean Water State Revolving Fund Loan Program to partially fund the necessary upgrades and improvements. Approximately \$10.6 million of the loan has been disbursed to the City for its expenditures on surveys, preliminary design and project management and construction costs. Additional funding of approximately \$4 million is available through an LRA grant and approximately \$2 million of existing Capital Projects funds have been budgeted for this project. See Note I for additional information regarding the financing of the 2009 sewer rehabilitation project. The City intends to issue another \$32 million in bonds to fund the rest of the required renovations of the sewer system. In November 2011, \$16 million of these additional bonds were issued.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE M - COMMITMENTS AND CONTINGENCIES (CONTINUED)

CIVIC CENTER INSURANCE SETTLEMENT

As a result of damages sustained by Hurricane Katrina during the year ended June 30, 2006, the City incurred expenses needed to repair the Civic Center to its original condition during the years ended June 30, 2007 through June 30, 2008. The City submitted these expenditures as claims against its insurance policy on the Civic Center. In prior years, there was a receivable relating to future insurance proceeds for \$4,247,644 relating to the necessary repairs on the Civic Center. The City's insurer disputed all of the claims for repairs, and the City filed suit against the insurer, United Fire Group, for the cost of repair and restoration of the Civic Center. The insurer agreed to settle the City's claim for the sum of \$3,750,000, which was paid during fiscal year 2011. Due to the City not being able to receive the full amount accrued, there was a prior year write-down of the insurance receivable which resulted in a one-time loss in the amount of \$497,644.

FIREFIGHTER PENSION CLAIM

Plaintiffs claim that the City erred by not making firefighter retirement contributions on acting pay, holiday pay and other miscellaneous income. It is probable that the City will have to pay the additional retirement pay to the firefighters. The City's attorney is trying to settle this claim by payment over time. \$448,796 has been accrued in the General Fund.

AGREEMENT FOR OPERATIONS, MAINTENANCE AND MANAGEMENT SERVICES OF THE KENNER WASTEWATER COLLECTION AND TREATMENT SYSTEMS

In July 1995, the City entered into an agreement with Veolia Water North America Operating Services, LLC, (formerly Professional Services Group, Inc. (PSG) and US Filter Operating Services, Inc.) for the management, operation and maintenance of the Wastewater Collection and Treatment Systems. PSG offered employment to all personnel of Kenner who were currently assigned full-time to the Wastewater Department. In July 1999, the agreement was amended and restated. In accordance with the agreement dated July 1999, compensation from the City of Kenner consists of an annual fee, \$2,744,264, funding the Kenner Budget Pass-Through Fund, \$817,567, and payment of electrical invoices. The term of this agreement is for 20 years commencing on July 1, 1995 with the option for four, five-year renewal periods. The annual fee and Kenner Budget Pass-Through Fund will be adjusted annually either by negotiation or in accordance with the CPI Adjustment Formula as stipulated in the agreement.

CONSTRUCTION

Construction commitments are discussed in Note I.

LEASE COMMITMENTS - GENERAL

Leases are accounted for in accordance with GASB Codification Section L20-Leases, which requires classification of leases as capital or operating leases. Governmental fund assets under capital leases are recorded in the government-wide financial statements. As of June 30, 2011, the City has no capital leases.

Operating Leases

The City is committed under various leases for buildings and office equipment. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2011 amounted to \$289,487. Future minimum lease payments for these leases are as follows:

Year Ending June 30.	Amounts
2012	\$ 210,845
2013	178,412
2014	<u>134,417</u>
Total minimum lease payments	<u>\$ 523,674</u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE N - DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The funds are held in a trust for the exclusive benefit of participants and their beneficiaries. The City did not make any contributions to the plan during the year ended June 30, 2011.

NOTE O - POSTEMPLOYMENT BENEFITS

PLAN DESCRIPTION

The City provides postemployment health care benefits to all retirees with 20 years or more of service, and life insurance benefits to eligible retirees under age 75. The City established a Group Insurance Plan, providing for payment of a portion of health care insurance premiums and life insurance premiums for eligible retired employees. The Group Insurance Plan is a single-employer defined benefit health care plan administered by the City which provides medical and life insurance to eligible retirees and their beneficiaries. The City Council has the authority to establish and amend plan benefit provisions. OPEB benefits are administered by City personnel. No separate financial statements are issued. At June 30, 2011, 152 retirees were receiving postemployment benefits.

CONTRIBUTION RATES

Employees do not contribute to their postemployment benefits costs until they become retirees and begin receiving those benefits. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. The City offers two health plans for both active and retired employees: United Healthcare Plan 70B and United Healthcare Plan 7EO. Retired employees who have Medicare coverage also have access to two plans: People's Health and Humana. Depending upon the plan selected, for the year ended June 30, 2011, the retiree portion of the monthly premium ranged from \$0 to \$130, and the City's portion is \$398 per month for retiree-only coverage without Medicare, and \$0 to \$66 for the retiree portion, and from \$80 to \$100 per month for the City's portion for retiree-only coverage with Medicare.

The employer pays the blended rate for the retiree portion of the coverage (not dependents) for retirees until Medicare eligibility. After Medicare eligibility, the employer pays for the first \$100 per month of the retiree portion of the premium. For employees who were employed before February 1, 2000, the employer pays \$82 of the dependent coverage for active employees and retirees before age 65.

The City also provides eligible retirees Basic Term Life which is underwritten by the Metropolitan Life Insurance Company. The blended rate for active employees and retirees is \$0.278 per \$1,000 of insurance.

The amount of life insurance is reduced by 35% of the original amount at age 70 and by 50% of the original amount at age 75.

FUNDING POLICY

Prior to July 1, 2008, the City of Kenner recognized the cost of providing postemployment medical and life benefits (the City of Kenner's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the postemployment benefits on a pay-as-you-go basis. For the year ended June 30, 2011, the City of Kenner's portion of health care funding cost for retired employees totaled \$456,361.

ANNUAL OPEB COST

The City of Kenner's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities. A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 45) has been used for the postemployment benefits. The total ARC for the fiscal year beginning July 1, 2011 was \$1,287,703 for medical, as set forth below:

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE O - POSTEMPLOYMENT BENEFITS (CONTINUED)

ANNUAL OPEB COST (CONTINUED)

Normal Cost	\$ 449,637
UAL amortized amount	788,539
Interest	<u>49,527</u>
Annual required contribution (ARC)	<u>\$ 1,287,703</u>

The table below shows the City of Kenner's Net Other Postemployment Benefit (OPEB) Obligation for fiscal year ended June 30, 2011:

Annual required contribution	\$ 1,287,703
Interest on net OPEB obligation	136,113
ARC adjustment	<u>(196,786)</u>
OPEB cost	1,227,030
Contributions made (retiree premiums paid in 2011)	<u>(456,361)</u>
Increase in net OPEB obligation	770,669
Beginning net OPEB obligation at July 1, 2010	<u>3,402,817</u>
Ending net OPEB obligation at June 30, 2011	<u>\$ 4,173,486</u>

The following table shows the City of Kenner's annual OPEB cost, percentage of the cost contributed, and the net unfunded OPEB liability:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Cost Contributed</u>	<u>Percentage of Annual OPEB Net OPEB Obligation</u>
June 30, 2010	\$ 2,136,309	18.0%	\$ 3,402,817
June 30, 2011	1,227,030	37.19%	4,173,486

FUNDED STATUS AND FUNDING PROGRESS

During the fiscal year ended June 30, 2011, the City of Kenner made no contributions to its other postemployment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of June 30, 2011, the most recent actuarial valuation (adjusted for interest), the Actuarial Accrued Liability (AAL) was \$15,071,536, which is defined as that portion, as determined by a particular actuarial cost method (the City of Kenner uses the Projected Unit Credit Cost Method), of the actuarial present value of other postemployment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded during fiscal year 2011, the entire actuarial accrued liability of \$15,071,536 was unfunded.

Actuarial accrued liability (AAL)	\$ 15,071,536
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 15,071,536</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered Payroll (annual payroll of active plan members)	\$ 26,074,568
UAAL as a percentage of covered payroll	57.80%

ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE O - POSTEMPLOYMENT BENEFITS (CONTINUED)

with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the City of Kenner and its employee plan members) at the time of the valuation and on the historical pattern of sharing costs between the City of Kenner and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the City of Kenner and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

ACTUARIAL COST METHOD

The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

TURNOVER RATE

An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 10%. The rates for each age are below:

<u>Age</u>	<u>Percent Turnover</u>
20 - 25	20.0%
26 - 40	12.0%
41 - 50	8.0%
55+	6.0%

In addition, based on past experience it was assumed that 16% of retirees decline health coverage at retirement.

INVESTMENT RETURN ASSUMPTION (DISCOUNT RATE)

The investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation. This is a conservative estimate of the expected long term return of a balanced and conservative investment portfolio under professional management.

HEALTH CARE COST INFLATION RATE

This assumption is used in determining how much will postemployment benefits cost each year and how rapidly will the cost grow when an employee starts receiving postemployment benefits. The health care cost trend was 9% initially and decreases to an ultimate rate of 5%.

MORTALITY RATE

This assumption is used in determining how long a retiree is likely to receive the benefits. The RP2000 Combined Health Table with a 70/30 male/female blend was used.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE P - PENSION PLANS

GENERAL

The City reporting entity participates in three defined benefit pension plans. Assets are held separately and may be used only for the payment of benefits to the members of the respective plans, as follows:

Substantially all of the City's full-time, permanent employees, other than classified employees in the Kenner Fire Department and Kenner Police Department are participants in the Municipal Employees' Retirement System, State of Louisiana (the Municipal Plan), a cost-sharing, multiple-employer defined benefit public employee retirement system.

All full-time classified employees of the Police Department of the City are participants in the Municipal Police Employees' Retirement System (the Police Plan), a cost-sharing, multiple-employer defined benefit plan.

All full-time classified employees of the Fire Department of the City are participants in the Firefighters' Retirement System ("FRS"), a cost-sharing, multiple-employer defined benefit plan.

PLAN DESCRIPTIONS

Municipal Employees' Retirement System, State of Louisiana (The Municipal Plan)

Employees of the City participate in Plan A of the Municipal Plan, which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 356 of the 1954 Louisiana Legislative Session established the plan. The System is governed by Louisiana Revised Statutes 11:1731 through 11:1866, specifically, and other general laws of the State of Louisiana. Under the Municipal Plan, employees with 10 years of service may retire at age 60 and employees with 25 years of service may retire regardless of age. In addition, employees may also retire with 20 years of service regardless of age; however, the benefits payable to such employees must be actuarially reduced. The monthly amount of the retirement allowance is equal to 3 percent of the member's final compensation multiplied by his years of creditable service. Retirement benefits are payable monthly for the life of the retiree, and upon the retiree's death, under certain conditions, are payable to the surviving spouse.

The Municipal Plan retirement information in this Note is provided as of the latest actuarial valuation, June 30, 2011. The Municipal Employees' Retirement System of Louisiana issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

Plan members are required to contribute 9.25% of their earnable compensation, and the City is required to contribute at an actuarially determined rate. The current rate is 14.25% of earnable compensation. At July 1, 2011, the employer's contribution rate increases to 16.75%.

Municipal Employees' Retirement System, State of Louisiana (The Municipal Plan) (Continued)

Members of the Police Plan are eligible for normal retirement after they have been a member of the plan for one year, if they have 25 years of service at any age or they have 20 years service and are age 50 or have 12 years service and are age 55. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211 - 11:2233. The monthly retirement benefit is equal to $3\frac{1}{3}$ percent of the member's average monthly earnings during the highest consecutive 36 months, multiplied by years of creditable service, not to exceed 100 percent of final salary. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain conditions, are payable to the surviving spouse and minor children. The Police Plan retirement information in this Note is provided as of the latest actuarial valuation, June 30, 2011. The Municipal Police Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to Municipal Police Employees' Retirement System of Louisiana, P.O. Box 94095, Capital Station, Baton Rouge, Louisiana 70809.

Plan members are required to contribute 7.5% of their annual-covered salary, and the City is required to contribute at an actuarially determined rate. The current rate is 25.00% of covered payroll. Effective July 1, 2011, the employer's contribution rate increased to 26.50%.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE P - PENSION PLANS (CONTINUED)

PLAN DESCRIPTIONS (Continued)

The Firefighters' Retirement System (FRS)

Under FRS, employees with 20 or more years of service who have attained age 50 or employees who have 12 years of service who have attained age 55 or 25 years of service at any age are entitled to annual pension benefits equal to 3 1/3% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain circumstances, are payable to the surviving spouse and minor children. Act 434 of the 1979 Louisiana Legislative Session established the Plan. The System is governed by Louisiana Revised Statutes 11:2251 through 11:2269, specifically, and other general laws of the State of Louisiana.

The Firefighters' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. It may be obtained from the Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809.

Plan members are required to contribute 10.0% of their earnable compensation, and the City is required to contribute at an actuarially determined rate. The current rate is 21.50% of annual-covered payroll. Effective July 1, 2011, the employer's contribution rate increased to 23.25%.

COVERED PAYROLL

The total payroll and the covered payroll, for each of the plans for the year ended June 30, 2011 were as follows:

	<u>Total</u>	<u>Covered</u>
Municipal Plan	\$ 12,403,035	\$ 12,361,138
Police Plan	9,567,826	7,496,045
Firefighters Retirement System	4,844,662	4,320,144

CURRENT MEMBERSHIP

Total membership data for the Municipal Plan, Police Plan and Firefighters' Retirement System is available in the separately issued reports, but is not available by individual employer.

Member and employer contributions are established by state statute for all plans.

Contributions required and made for the Municipal Plan, a cost-sharing multiple-employer plan were as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Actuarial Required Contribution</u>	<u>% Contributed</u>
2009	\$ 1,344,590	132.06%
2010	1,743,051	101.30%
2011	2,018,867	87.25%

The employer contribution from the City differs from the actuarially required contribution due to the state law that requires the employer contribution rate be calculated and set two years prior to the year effective.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE P – PENSION PLANS (CONTINUED)

CURRENT MEMBERSHIP (Continued)

CONTRIBUTIONS REQUIRED AND MADE (Continued)

Contributions required and made for the Police Plan, a cost-sharing multiple-employer plan were as follows:

Fiscal Year Ended <u>June 30,</u>	Actuarial Required <u>Contribution</u>	% <u>Contributed</u>
2009	\$ 844,374	86.85%
2010	1,803,179	47.19%
2011	2,197,740	85.27%

The employer contribution from the City differs from the actuarially required contribution due to the state law that requires the employer contribution rate be calculated and set two years prior to the year effective.

Contributions required and made for the Firefighters' Retirement System, a cost-sharing multiple-employer plan were as follows:

Fiscal Year Ended <u>June 30,</u>	Actuarial Required <u>Contribution</u>	% <u>Contributed</u>
2009	\$ 558,465	93.00%
2010	876,173	70.00%
2011	1,416,764	65.56%

NOTE Q – DEFICIT FUND BALANCES/ NET ASSETS

At June 30, 2011, the Capital Projects Funded with Bond Proceeds Fund had a deficit in its fund balance of \$396,366. This deficit will be eliminated by completing arbitrage calculations which will rebate interest to go towards completing the projects included in this fund.

At June 30, 2011, the Self-Insurance Fund had a deficit in its net assets of \$3,949,447. This deficit will be eliminated by the City making additional contributions into the fund during future years.

At June 30, 2011, the Wastewater Fund had a deficit in its unrestricted net assets of \$1,815,559. This deficit is expected to be reduced by future operations from an increase in the sewer service charge over the next several years which was approved by the Council in November 2010.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

Budgets for the General, Special Revenue, Debt Service Funds, and Proprietary Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase.

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2011

	ACTIONAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES						
Taxes	\$ 25,016,504	\$ 4,786	\$ 25,021,290	\$ 23,432,817	\$ 23,582,817	\$ 1,438,473
Licenses and permits	3,508,681	-	3,508,681	3,131,102	3,131,102	377,579
Intergovernmental	2,706,109	(1,300,661)	1,405,448	1,348,341	1,348,341	57,107
Charges for services	1,685,384	(541,508)	1,143,876	1,059,048	1,059,048	84,828
Fines and forfeitures	2,602,543	-	2,602,543	2,066,900	2,066,900	535,643
Interest on invested funds	21,234	-	21,234	91,127	91,127	(69,893)
Miscellaneous	635,835	(31)	635,804	353,930	353,930	281,874
Total revenues	36,176,290	(1,837,414)	34,338,876	31,483,265	31,633,265	2,705,611
EXPENDITURES						
General government	10,432,342	(1,144,482)	9,287,860	9,270,771	9,401,141	113,281
Public safety	17,918,039	(710,171)	17,207,868	18,126,871	18,102,357	894,489
Public works	3,088,781	47,369	3,136,150	3,331,351	3,283,154	147,004
Health and welfare	611,230	855	612,085	635,463	648,917	36,832
Culture and recreation	4,675,018	(46,763)	4,628,255	4,682,899	4,673,959	45,704
Transit and urban development	363,134	(245,671)	117,463	205,691	75,321	(42,142)
Total expenditures	37,088,544	(2,098,863)	34,989,681	36,253,046	36,184,849	1,195,168
Excess (deficiency) of revenues over (under) expenditures	(912,254)	261,449	(650,805)	(4,769,781)	(4,551,584)	3,900,779
OTHER FINANCING SOURCES (USES)						
Operating transfers in	7,921,330	-	7,921,330	7,848,943	7,630,746	290,584
Operating transfers out	(3,301,480)	-	(3,301,480)	(3,079,162)	(3,079,162)	(222,318)
Total other financing sources (uses)	4,619,850	-	4,619,850	4,769,781	4,551,584	68,266
Net change in fund balance	3,707,596	261,449	3,969,045	-	-	3,969,045
Fund balance - beginning of year	8,877,704	-	8,877,704	8,877,704	8,877,704	-
Fund balance - end of year	\$ 12,585,300	\$ 261,449	\$ 12,846,749	\$ 8,877,704	\$ 8,877,704	\$ 3,969,045

See accompanying note to budgetary comparison schedules.

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ONE PERCENT SALES TAX OF 1984 FUND
YEAR ENDED JUNE 30, 2011

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes:						
Sales tax	\$ 10,727,827	\$ -	\$ 10,727,827	\$ 10,820,303	\$ 10,820,303	\$ (92,476)
Total revenues	10,727,827	-	10,727,827	10,820,303	10,820,303	(92,476)
EXPENDITURES						
Personnel	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	10,727,827	-	10,727,827	10,820,303	10,820,303	(92,476)
OTHER FINANCING SOURCES (USES)						
Transfers out	(10,727,827)	-	(10,727,827)	(10,820,303)	(10,820,303)	92,476
Net change in fund balance	-	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
YEAR ENDED JUNE 30, 2011

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES						
Intergovernmental	\$ 1,083,386	\$ -	\$ 1,083,386	\$ 1,064,139	\$ 1,086,409	\$ (3,023)
Interest	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	1,083,386	-	1,083,386	1,064,139	1,086,409	(3,023)
EXPENDITURES						
Public works:						
Capital Outlay	231,735	-	231,735	-	53,139	(178,596)
Total public works	231,735	-	231,735	-	53,139	(178,596)
Culture and recreation:						
Capital Outlay	8,760	-	8,760	-	37,275	28,515
Total culture and recreation	8,760	-	8,760	-	37,275	28,515
Urban development:						
Personnel	572,396	-	572,396	512,402	567,762	(4,634)
Supplies	6,108	(193)	5,915	20,955	15,156	9,241
Service charges	94,489	(173)	94,316	82,829	95,339	1,023
Capital Outlay	415,541	(5,648)	409,893	791,885	661,670	251,777
Total urban development	1,088,534	(6,014)	1,082,520	1,408,071	1,339,927	257,407
Total Expenditures	1,329,029	(6,014)	1,323,015	1,408,071	1,430,341	107,326
Excess (deficiency) of revenues over (under) expenditures	(245,643)	6,014	(239,629)	(343,932)	(343,932)	104,303

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
YEAR ENDED JUNE 30, 2011
(CONTINUED)

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 276,018	\$ -	\$ 276,018	\$ 343,932	\$ 343,932	\$ (67,914)
Total other financing sources (uses)	276,018	-	276,018	343,932	343,932	(67,914)
Net change in fund balance	30,375	6,014	36,389	-	-	36,389
Fund balance - beginning of year	501,940	-	501,940	501,940	501,940	-
Fund balance - end of year	\$ 532,315	\$ 6,014	\$ 538,329	\$ 501,940	\$ 501,940	\$ 36,389

See accompanying note to budgetary comparison schedules.

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE PROTECTION FUND
YEAR ENDED JUNE 30, 2011

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes:						
Ad valorem tax	\$ 3,327,384	-	\$ 3,327,384	\$ 3,494,276	\$ 3,494,276	\$ (166,892)
Parking tax	558,444	-	558,444	567,016	567,016	(8,572)
Cable franchise tax	421,522	-	421,522	416,550	416,550	4,972
Intergovernmental	-	-	-	-	-	-
Charges for services	690	-	690	700	700	(10)
Interest	428	-	428	5,000	5,000	(4,572)
Miscellaneous	1,508	-	1,508	2,500	2,500	(992)
Total revenues	4,309,976	-	4,309,976	4,486,042	4,486,042	(176,066)
EXPENDITURES						
Public safety:						
Personnel	6,320,814	-	6,320,814	6,221,856	6,270,271	(50,543)
Supplies	78,827	920	79,747	70,000	79,023	(724)
Service charges	477,125	20,037	497,162	622,505	565,067	67,905
Total expenditures	6,876,766	20,957	6,897,723	6,914,361	6,914,361	16,638
Excess (deficiency) of revenues over (under) expenditures	(2,566,790)	(20,957)	(2,587,747)	(2,428,319)	(2,428,319)	(159,428)

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE PROTECTION FUND
YEAR ENDED JUNE 30, 2011
(CONTINUED)

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
OTHER FINANCING SOURCES						
Transfers out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in	<u>2,569,757</u>	<u>-</u>	<u>2,569,757</u>	<u>2,428,319</u>	<u>2,428,319</u>	<u>141,438</u>
Net change in fund balance	2,967	(20,957)	(17,990)	-	-	(17,990)
Fund balance - beginning of year	<u>17,990</u>	<u>-</u>	<u>17,990</u>	<u>17,990</u>	<u>17,990</u>	<u>-</u>
Fund balance - end of year	<u>\$ 20,957</u>	<u>\$ (20,957)</u>	<u>\$ -</u>	<u>\$ 17,990</u>	<u>\$ 17,990</u>	<u>\$ (17,990)</u>

See accompanying note to budgetary comparison schedules.

CITY OF KENNER, LOUISIANA
NOTE TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2011

NOTE A - BUDGET-TO-ACTUAL RECONCILIATION

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with generally accepted accounting principles follows:

	General Fund	Community Development Block Grant Fund	Roads and Bridges Fund	Fire Protection Fund	Street Lighting Fund	Garbage Collection Fund
Net change in fund balances (budgetary basis)	\$ 3,969,045	\$ 36,389	\$ (18,103)	\$ (17,990)	\$ (14,741)	\$ -
Basis differences:						
To adjust for encumbrances	(2,098,863)	(6,014)	5,935	20,957	13,167	-
Entity differences:						
To adjust for revenues not budgeted	<u>1,837,414</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>165,063</u>
Net change in fund balances (GAAP basis)	<u>\$ 3,707,596</u>	<u>\$ 30,375</u>	<u>\$ (12,168)</u>	<u>\$ 2,967</u>	<u>\$ (1,574)</u>	<u>\$ 165,063</u>

CITY OF KENNER, LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
FOR OTHER POSTEMPLOYMENT BENEFITS PLAN
JUNE 30, 2011

<u>Actuarial Valuation Date</u>	<u>Actuarial Value Of of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL As A Percentage of Covered Payroll</u>
June 30, 2009	\$ -	\$ 20,742,538	\$ 20,742,538	0.00 %	\$ 27,432,498	75.61 %
June 30, 2010	\$ -	\$ 22,435,139	\$ 22,435,139	0.00 %	\$ 27,215,135	82.44 %
June 30, 2011	\$ -	\$ 15,071,536	\$ 15,071,536	0.00 %	\$ 26,074,568	57.80 %

OTHER SUPPLEMENTARY INFORMATION

**CITY OF KENNER, LOUISIANA
NONMAJOR FUND DESCRIPTIONS
JUNE 30, 2011**

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenues (other than special assessments, expendable trusts or revenues for major capital projects) that are legally restricted to expenditures for specific purposes.

GARBAGE COLLECTION AND DISPOSAL FUND

The Garbage Collection and Disposal Fund accounts for the proceeds of ad valorem taxes which are specifically dedicated to solid waste collection throughout the City in residential and some commercial areas.

ROADS AND BRIDGES AND STREET LIGHTING FUNDS

The Roads and Bridges and Street Lighting Funds account for the proceeds of ad valorem taxes which are specifically dedicated for the functions performed by each of these funds.

DEBT SERVICE FUNDS

The Debt Service Funds are used to accumulate monies for the payment of principal, interest, and fiscal charges on the City of Kenner's general obligation and special tax bonds.

AD VALOREM TAX BOND FUND

The Ad Valorem Tax Bond Fund accounts for the property tax levies needed to comply with the interest and principal redemption requirements for the loan agreement for the LCDA loan.

FIREMEN'S PENSION MERGER FUND

The Firemen's Pension Merger Fund accounts for the funding needed to comply with the interest and principal redemption requirements for the loan payable to the Statewide Firefighters Retirement System.

**CITY OF KENNER, LOUISIANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

	GARBAGE COLLECTION AND DISPOSAL	ROADS AND BRIDGES	STREET LIGHTING	TOTAL
ASSETS				
Cash	\$ -	\$ 158	\$ -	\$ 158
Equity in pooled cash	-	188,825	52,722	241,547
Investments	-	-	-	-
Receivables (net, where applicable, of allowances for uncollectibles)				
Accounts	978,837			978,837
Intergovernmental	-	-	-	-
Interest	-	-	-	-
Other	-	-	38	38
Due from other funds	122,549	29,096	51,828	203,473
Prepaid items	-	-	-	-
Total assets	\$ 1,101,386	\$ 218,079	\$ 104,588	\$ 1,424,053
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 371,100	\$ 12,899	\$ 80,692	\$ 464,691
Contracts payable	-	-	-	-
Accrued liabilities	-	39,223	9,107	48,330
Due to other funds	457,427	159,222	-	616,649
Deferred revenues	107,796	800	1,622	110,218
Total liabilities	936,323	212,144	91,421	1,239,888
Fund balances:				
Restricted				
Federal grants	\$ 165,063	\$ -	\$ -	\$ 165,063
Debt service	-	-	-	-
Committed				
Encumbrances	-	3,214	13,167	16,381
Other commitments	-	2,721	-	2,721
Total fund balances	165,063	5,935	13,167	184,165
Total liabilities and fund balances	\$ 1,101,386	\$ 218,079	\$ 104,588	\$ 1,424,053

DEBT SERVICE			TOTAL NONMAJOR GOVERNMENTAL FUNDS
AD VALOREM TAX BONDS	FIREMEN'S PENSION MERGER FUND	TOTAL	
\$ 8,294	\$ -	\$ 8,294	\$ 8,452
40,651	-	40,651	282,198
-	-	-	-
-	-	-	978,837
-	-	-	-
-	-	-	-
-	-	-	38
16,998	890,931	907,929	1,111,402
-	-	-	-
<u>\$ 65,943</u>	<u>\$ 890,931</u>	<u>\$ 956,874</u>	<u>\$ 2,380,927</u>
\$ -	\$ -	\$ -	\$ 464,691
-	-	-	-
-	-	-	48,330
-	215,226	215,226	831,875
16,978	-	16,978	127,196
<u>16,978</u>	<u>215,226</u>	<u>232,204</u>	<u>1,472,092</u>
\$ -	\$ -	\$ -	\$ 165,063
48,965	675,705	724,670	724,670
-	-	-	-
-	-	-	16,381
-	-	-	2,721
<u>48,965</u>	<u>675,705</u>	<u>724,670</u>	<u>908,835</u>
<u>\$ 65,943</u>	<u>\$ 890,931</u>	<u>\$ 956,874</u>	<u>\$ 2,380,927</u>

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	GARBAGE COLLECTION AND DISPOSAL	ROADS AND BRIDGES	STREET LIGHTING	TOTAL
REVENUES				
Taxes	\$ 723,875	\$ 671,765	\$ 42	\$ 1,395,682
Intergovernmental	165,063	-	-	165,063
Charges for services	2,971,356	-	-	2,971,356
Interest	-	-	11	11
Miscellaneous	-	12	-	12
Total Revenues	3,860,294	671,777	53	4,532,124
EXPENDITURES				
Current:				
Public works	3,994,705	1,524,921	1,262,244	6,781,870
Culture and recreation	-	-	-	-
Transit and urban development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	3,994,705	1,524,921	1,262,244	6,781,870
Excess (deficiency) of revenues over (under) expenditures	(134,411)	(853,144)	(1,262,191)	(2,249,746)
OTHER FINANCING SOURCES (USES)				
Transfers in	299,474	840,976	1,260,617	2,401,067
Transfers out	-	-	-	-
Total other financing sources (uses)	299,474	840,976	1,260,617	2,401,067
Net change in fund balances	165,063	(12,168)	(1,574)	151,321
Fund balances - beginning of year	-	18,103	14,741	32,844
Fund balances - end of year	\$ 165,063	\$ 5,935	\$ 13,167	\$ 184,165

DEBT SERVICE FUNDS			TOTAL
AD VALOREM TAX BONDS	FIREMEN'S PENSION MERGER FUND	TOTAL	NONMAJOR GOVERNMENTAL FUNDS
1,980,005	\$ 267,143	\$ 2,247,148	\$ 3,642,830
-	-	-	165,063
-	-	-	2,971,356
20	-	20	31
-	-	-	12
<u>1,980,025</u>	<u>267,143</u>	<u>2,247,168</u>	<u>6,779,292</u>
-	-	-	6,781,870
-	-	-	-
-	-	-	-
1,440,000	65,965	1,505,965	1,505,965
539,855	171,738	711,593	711,593
<u>1,979,855</u>	<u>237,703</u>	<u>2,217,558</u>	<u>8,999,428</u>
<u>170</u>	<u>29,440</u>	<u>29,610</u>	<u>(2,220,136)</u>
-	-	-	2,401,067
-	-	-	-
-	-	-	2,401,067
170	29,440	29,610	180,931
48,795	646,265	695,060	727,904
<u>\$ 48,965</u>	<u>\$ 675,705</u>	<u>\$ 724,670</u>	<u>\$ 908,835</u>

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2011

	ACTUAL.	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
TAXES						
Ad valorem tax	\$ 952,260	\$ -	\$ 952,260	\$ 982,175	\$ 982,175	\$ (29,915)
Sales tax	15,229,019	-	15,229,019	14,003,851	14,153,851	1,075,168
Beer tax	70,485	-	70,485	82,450	82,450	(11,965)
Parking tax	1,393,653	-	1,393,653	1,393,653	1,393,653	-
Franchises						
Electricity service	1,538,404	-	1,538,404	1,484,703	1,484,703	53,701
Gas service	174,051	-	174,051	177,209	177,209	(3,158)
Off-track wagering	104,297	-	104,297	122,712	122,712	(18,415)
Hotel/motel tax	286,347	-	286,347	287,676	287,676	(1,329)
Telephone	178,576	-	178,576	204,912	204,912	(26,336)
Video service	63,431	4,786	68,217	-	-	68,217
Riverboat	5,025,981	-	5,025,981	4,693,476	4,693,476	332,505
Total taxes	25,016,504	4,786	25,021,290	23,432,817	23,582,817	1,438,473
LICENSES AND PERMITS						
Business:						
Occupational	2,269,059	-	2,269,059	2,089,209	2,089,209	179,850
Alcoholic beverage	89,610	-	89,610	97,800	97,800	(8,190)
Chain store	54,105	-	54,105	55,453	55,453	(1,348)
Plumbing	67,370	-	67,370	71,144	71,144	(3,774)
Electrical	37,150	-	37,150	55,799	55,799	(18,649)
Taxi cab	34,790	-	34,790	31,863	31,863	2,927
Air conditioning	9,750	-	9,750	38,492	38,492	(28,742)
Bingo	250	-	250	200	200	50
Animal control	-	-	-	300	300	(300)
Total business	2,562,084	-	2,562,084	2,440,260	2,440,260	121,824
Non-business:						
Building	524,887	-	524,887	247,245	247,245	277,642
Garage sales	3,220	-	3,220	2,500	2,500	720
Brake tags	418,490	-	418,490	441,097	441,097	(22,607)
Total non-business	946,597	-	946,597	690,842	690,842	255,755
Total licenses and permits	3,508,681	-	3,508,681	3,131,102	3,131,102	377,579
INTERGOVERNMENTAL						
Federal Grants	1,266,035	(1,266,035)	-	-	-	-
From state:						
Tobacco tax	-	-	-	-	-	-
Parish transportation fund	272,155	-	272,155	181,027	181,027	91,128
Parish road fund	141,151	-	141,151	206,400	206,400	(65,249)
Video poker	743,284	-	743,284	710,914	710,914	32,370
Other state grants	34,626	(34,626)	-	-	-	-
From other local government subdivisions:						
Jefferson Council on Aging	37,858	-	37,858	39,000	39,000	(1,142)
Jefferson Parish	211,000	-	211,000	211,000	211,000	-
Total intergovernmental	\$ 2,706,109	\$ (1,300,661)	\$ 1,405,448	\$ 1,348,341	\$ 1,348,341	\$ 57,107

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2011

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
CHARGES FOR SERVICES						
Zoning fees	\$ 10,455	\$ -	\$ 10,455	\$ 8,200	\$ 8,200	\$ 2,255
Inspection fees						
Electrical	92,131	-	92,131	84,000	84,000	8,131
Plumbing	104,215	-	104,215	53,500	53,500	50,715
Air conditioning, heating, and other	75,716	-	75,716	57,000	57,000	18,716
Maps and document sales	2,203	-	2,203	1,500	1,500	703
Tax research fees	18,400	-	18,400	18,000	18,000	400
Police reports	32,215	-	32,215	35,000	35,000	(2,785)
Weed cutting fees	170,518	-	170,518	230,000	230,000	(59,482)
Recreation department						
Participation fees	182,782	-	182,782	179,713	179,713	3,069
Admission fees	229,702	-	229,702	210,735	210,735	18,967
Identification and other fees	164,239	-	164,239	120,400	120,400	43,839
Community service fees	-	-	-	-	-	-
Administrative charges	602,808	(541,508)	61,300	61,000	61,000	300
Total charges for services	1,685,384	(541,508)	1,143,876	1,059,048	1,059,048	84,828
FINES AND FORFEITURES						
Fines	2,223,693	-	2,223,693	1,730,000	1,730,000	493,693
Forfeitures	347,613	-	347,613	270,000	270,000	77,613
DWI fines	2,684	-	2,684	1,900	1,900	784
Reinstatement fees	28,553	-	28,553	65,000	65,000	(36,447)
Total fines and forfeitures	2,602,543	-	2,602,543	2,066,900	2,066,900	535,643
INTEREST ON INVESTED FUNDS	21,234	-	21,234	91,127	91,127	(69,893)
MISCELLANEOUS						
Donations	56,503	-	56,503	-	-	56,503
Rents	308,764	-	308,764	301,130	301,130	7,634
Other investment income	69,271	-	69,271	23,900	23,900	45,371
Other	201,297	(31)	201,266	28,900	28,900	172,366
Total miscellaneous	635,835	(31)	635,804	353,930	353,930	281,874
Total revenues	\$ 36,176,290	\$ (1,837,414)	\$ 34,338,876	\$ 31,483,265	\$ 31,633,265	\$ 2,705,611

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2011

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
GENERAL GOVERNMENT						
Personnel	\$ 6,598,782	\$ (542,179)	\$ 6,056,603	\$ 6,022,182	\$ 6,172,116	\$ 115,513
Supplies	142,139	(3,720)	138,419	125,107	112,665	(25,754)
Service charges	3,456,637	(547,526)	2,909,111	3,112,482	3,012,501	103,390
Capital outlay	234,784	(51,057)	183,727	11,000	103,859	(79,868)
Total general government	\$ 10,432,342	\$ (1,144,482)	\$ 9,287,860	\$ 9,270,771	\$ 9,401,141	\$ 113,281
PUBLIC SAFETY						
Personnel	\$ 14,471,711	\$ (436,688)	\$ 14,035,023	\$ 14,891,650	\$ 14,525,274	\$ 490,251
Supplies	747,887	(603)	747,284	722,587	825,015	77,731
Service charges	2,016,357	(47,368)	1,968,989	2,127,634	2,268,826	299,837
Capital outlay	682,084	(225,512)	456,572	385,000	483,242	26,670
Total public safety	\$ 17,918,039	\$ (710,171)	\$ 17,207,868	\$ 18,126,871	\$ 18,102,357	\$ 894,489
PUBLIC WORKS						
Personnel	\$ 1,805,346	\$ -	\$ 1,805,346	\$ 1,933,334	\$ 1,917,457	\$ 112,111
Supplies	821,949	24,368	846,317	887,620	853,721	7,404
Service charges	454,194	23,001	477,195	510,397	504,683	27,488
Capital outlay	7,292	-	7,292	-	7,293	1
Total public works	\$ 3,088,781	\$ 47,369	\$ 3,136,150	\$ 3,331,351	\$ 3,283,154	\$ 147,004
HEALTH AND WELFARE						
Personnel	\$ 573,169	\$ -	\$ 573,169	\$ 565,677	\$ 586,811	\$ 13,642
Supplies	37,301	130	37,431	54,849	46,899	9,468
Service charges	760	725	1,485	14,937	15,207	13,722
Capital outlay	-	-	-	-	-	-
Total health and welfare	\$ 611,230	\$ 855	\$ 612,085	\$ 635,463	\$ 648,917	\$ 36,832

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2011

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
CULTURE AND RECREATION						
Personnel	\$ 3,215,373	\$ -	\$ 3,215,373	\$ 3,402,092	\$ 3,235,495	\$ 20,122
Supplies	501,708	(21,087)	480,621	379,090	488,495	7,874
Service charges	957,937	(25,676)	932,261	899,717	949,969	17,708
Capital outlay	-	-	-	2,000	-	-
Total culture and recreation	\$ 4,675,018	\$ (46,763)	\$ 4,628,255	\$ 4,682,899	\$ 4,673,959	\$ 45,704
TRANSIT						
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	363,134	(245,671)	117,463	205,691	75,321	(42,142)
Capital outlay	-	-	-	-	-	-
TOTAL TRANSIT	\$ 363,134	\$ (245,671)	\$ 117,463	\$ 205,691	\$ 75,321	\$ (42,142)
TOTAL EXPENDITURES						
Personnel	\$ 26,664,381	\$ (978,867)	\$ 25,685,514	\$ 26,814,935	\$ 26,437,153	\$ 751,639
Supplies	2,250,984	(912)	2,250,072	2,169,253	2,326,795	76,723
Service charges	7,249,019	(842,515)	6,406,504	6,870,858	6,826,507	420,003
Capital outlay	924,160	(276,569)	647,591	398,000	594,394	(53,197)
TOTAL EXPENDITURES	\$ 37,088,544	\$ (2,098,863)	\$ 34,989,681	\$ 36,253,046	\$ 36,184,849	\$ 1,195,168

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION
YEAR ENDED JUNE 30, 2011

COUNCIL OFFICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 851,640	\$ -	\$ 851,640	\$ 873,603	\$ 852,424	\$ 784
Supplies	16,422	(1,175)	15,247	37,170	21,018	5,771
Service charges	54,124	(900)	53,224	127,900	104,498	51,274
Capital outlay	128,875	(50,238)	78,637	10,000	70,733	(7,904)
Total expenditures	\$ 1,051,061	\$ (52,313)	\$ 998,748	\$ 1,048,673	\$ 1,048,673	\$ 49,925

MAYOR'S OFFICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 441,697	\$ -	\$ 441,697	\$ 451,777	\$ 448,403	\$ 6,706
Supplies	13,354	2	13,356	12,500	13,288	(68)
Service charges	34,090	(518)	33,572	33,950	34,141	569
Capital outlay	3,244	151	3,395	1,000	3,395	-
Total expenditures	\$ 492,385	\$ (365)	\$ 492,020	\$ 499,227	\$ 499,227	\$ 7,207

FINANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 780,673	\$ -	\$ 780,673	\$ 805,635	\$ 785,479	\$ 4,806
Supplies	15,936	-	15,936	15,500	15,500	(436)
Service charges	58,491	-	58,491	41,970	61,936	3,445
Capital outlay	189	-	189	-	190	1
Total expenditures	\$ 855,289	\$ -	\$ 855,289	\$ 863,105	\$ 863,105	\$ 7,816

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2011

PURCHASING

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 281,139	\$ -	\$ 281,139	\$ 286,743	\$ 283,631	\$ 2,492
Supplies	5,318	(372)	4,946	5,500	5,500	554
Service charges	20,058	-	20,058	24,874	25,185	5,127
Capital outlay	2,016	785	2,801	-	2,801	0
Total expenditures	\$ 308,531	\$ 413	\$ 308,944	\$ 317,117	\$ 317,117	\$ 8,173

HUMAN RESOURCES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 283,235	(371)	\$ 282,864	\$ 320,934	\$ 318,534	\$ 35,670
Supplies	4,357	-	4,357	3,318	3,668	(689)
Service charges	33,262	-	33,262	40,235	41,285	8,023
Capital outlay	909	909	1,818	-	1,000	(818)
Total expenditures	\$ 321,763	\$ 538	\$ 322,301	\$ 364,487	\$ 364,487	\$ 42,186

PLANNING

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 433,028	-	\$ 433,028	\$ 452,423	\$ 452,423	\$ 19,395
Supplies	4,437	(843)	3,594	5,100	5,100	1,506
Service charges	28,633	-	28,633	42,200	40,017	11,384
Capital outlay	2,183	(154)	2,029	-	2,183	154
Total expenditures	\$ 468,281	\$ (997)	\$ 467,284	\$ 499,723	\$ 499,723	\$ 32,439

INFORMATION TECHNOLOGY

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 262,883	-	\$ 262,883	\$ 276,280	\$ 255,875	\$ (7,008)
Supplies	5,778	146	5,924	6,000	5,690	(234)
Service charges	311,115	(11,138)	299,977	278,523	294,739	(5,238)
Capital outlay	4,499	(2,730)	1,769	-	4,499	2,730
Total expenditures	\$ 584,275	\$ (13,722)	\$ 570,553	\$ 560,803	\$ 560,803	\$ (9,750)

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2011

CIVIL SERVICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 203,118	\$ -	\$ 203,118	\$ 204,369	\$ 202,642	\$ (476)
Supplies	2,728	(548)	2,180	2,500	2,500	320
Service charges	16,507	225	16,732	15,365	17,092	360
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 222,353	\$ (323)	\$ 222,030	\$ 222,234	\$ 222,234	\$ 204

GENERAL MUNICIPAL EXPENSE:

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,109,242	\$ (541,808)	\$ 567,434	\$ 616,641	\$ 568,321	\$ 887
Supplies	54,108	(522)	53,586	6,500	20,853	(32,733)
Service charges	1,645,673	(535,195)	1,110,478	1,127,423	1,173,355	62,877
Capital outlay	85,821	220	86,041	-	12,009	(74,032)
Total expenditures	\$ 2,894,844	\$ (1,077,305)	\$ 1,817,539	\$ 1,750,564	\$ 1,774,538	\$ (43,001)

MAYOR'S COURT

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 628,293	\$ -	\$ 628,293	\$ 662,897	\$ 627,579	\$ (714)
Supplies	14,352	518	14,870	25,019	13,548	(1,322)
Service charges	72,263	-	72,263	31,550	72,265	2
Capital outlay	6,073	-	6,073	-	6,074	1
Total expenditures	\$ 720,981	\$ 518	\$ 721,499	\$ 719,466	\$ 719,466	\$ (2,033)

CITY ATTORNEY

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	557,204	\$ -	\$ 557,204	595,485	593,630	\$ 36,426
Supplies	5,349	(926)	4,423	6,000	6,000	1,577
Service charges	167,202	-	167,202	184,400	185,280	18,078
Capital outlay	975	-	975	0	975	-
Total expenditures	\$ 730,730	\$ (926)	\$ 729,804	\$ 785,885	\$ 785,885	\$ 56,081

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2011

INSURANCE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 109,013	\$ -	\$ 109,013	\$ 53,562	\$ 108,792	\$ (221)
Supplies	-	-	-	-	-	-
Service charges	1,000,089	-	1,000,089	1,164,092	962,708	(37,381)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 1,109,102	\$ -	\$ 1,109,102	\$ 1,217,654	\$ 1,071,500	\$ (37,602)

PAY INCENTIVES

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 657,617	\$ -	\$ 657,617	\$ 421,833	\$ 674,383	\$ 16,766
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 657,617	\$ -	\$ 657,617	\$ 421,833	\$ 674,383	\$ 16,766

BAD DEBT

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	15,130	-	15,130	-	-	(15,130)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 15,130	\$ -	\$ 15,130	\$ -	\$ -	\$ (15,130)

TOTAL - GENERAL GOVERNMENT FUNCTION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 6,598,782	\$ (542,179)	\$ 6,056,603	\$ 6,022,182	\$ 6,172,116	\$ 115,513
Supplies	142,139	(3,720)	138,419	125,107	112,665	(25,754)
Service charges	3,456,637	(547,526)	2,909,111	3,112,482	3,012,501	103,390
Capital outlay	234,784	(51,057)	183,727	11,000	103,859	(79,868)
Total expenditures	\$ 10,432,342	\$ (1,144,482)	\$ 9,287,860	\$ 9,270,771	\$ 9,401,141	\$ 113,281

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC SAFETY FUNCTION
YEAR ENDED JUNE 30, 2011

POLICE ADMINISTRATIVE SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 912,797	\$ -	\$ 912,797	\$ 907,566	\$ 936,166	\$ 23,369
Supplies	37,351	(1,528)	35,823	33,500	39,000	3,177
Service charges	732,018	8,113	740,131	708,000	746,000	5,869
Capital outlay	28,272	67,818	96,090	-	97,000	910
Total expenditures	\$ 1,710,438	\$ 74,403	\$ 1,784,841	\$ 1,649,066	\$ 1,818,166	\$ 33,325

POLICE FIELD SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 5,824,593	\$ (400,095)	\$ 5,424,498	\$ 6,568,885	\$ 5,699,785	\$ 275,287
Supplies	512,028	(3,236)	508,792	489,000	549,000	40,208
Service charges	878,685	(20,512)	858,173	1,031,000	1,094,500	236,327
Capital outlay	643,161	(287,658)	355,503	385,000	380,000	24,497
Total expenditures	\$ 7,858,467	\$ (711,501)	\$ 7,146,966	\$ 8,473,885	\$ 7,723,285	\$ 576,319

POLICE INVESTIGATING SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 2,906,399	\$ (33,108)	\$ 2,873,291	\$ 2,010,518	\$ 2,850,818	\$ (22,473)
Supplies	14,468	(1,314)	13,154	10,500	16,500	3,346
Service charges	13,456	(9,160)	4,296	9,000	9,500	5,204
Capital outlay	2,834	(1,258)	1,576	-	2,000	424
Total expenditures	\$ 2,937,157	\$ (44,840)	\$ 2,892,317	\$ 2,030,018	\$ 2,878,818	\$ (13,499)

POLICE COMMUNICATIONS SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 666,521	\$ (2,091)	\$ 664,430	\$ 734,267	\$ 712,467	\$ 48,037
Supplies	1,973	-	1,973	3,000	3,000	1,027
Service charges	27,488	(11,834)	15,654	25,000	25,000	9,346
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 695,982	\$ (13,925)	\$ 682,057	\$ 762,267	\$ 740,467	\$ 58,410

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC SAFETY FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2011

POLICE JAIL SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 821,337	\$ (1,394)	\$ 819,943	\$ 752,837	\$ 876,337	\$ 56,394
Supplies	126,607	937	127,544	119,000	137,000	9,456
Service charges	13,430	(1,517)	11,913	14,000	15,000	3,087
Capital outlay	1,556	(1,525)	31	-	500	469
Total expenditures	\$ 962,930	\$ (3,499)	\$ 959,431	\$ 885,837	\$ 1,028,837	\$ 69,406

POLICE TECHNICAL SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 560,929	\$ -	\$ 660,929	\$ 1,337,728	\$ 729,728	\$ 68,799
Supplies	12,649	8,366	21,015	16,000	27,000	5,985
Service charges	32,956	(12,778)	20,178	7,500	22,000	1,822
Capital outlay	4,519	(2,889)	1,630	-	2,000	370
Total expenditures	\$ 711,053	\$ (7,301)	\$ 703,752	\$ 1,361,228	\$ 780,728	\$ 76,976

CODE ENFORCEMENT - ADMINISTRATION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,407,359	\$ -	\$ 1,407,359	\$ 1,490,082	\$ 1,438,179	\$ 30,820
Supplies	28,947	(2,614)	26,333	29,950	31,330	4,997
Service charges	313,029	320	313,349	323,908	347,600	34,251
Capital outlay	1,742	-	1,742	-	1,742	-
Total expenditures	\$ 1,751,077	\$ (2,294)	\$ 1,748,783	\$ 1,843,940	\$ 1,818,851	\$ 70,068

POLICE SUPPORT SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	1,089,894	\$ -	\$ 1,089,894	897,473.00	1,089,473	\$ (421)
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 1,089,894	\$ -	\$ 1,089,894	\$ 897,473	\$ 1,089,473	\$ (421)

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC SAFETY FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2011

CODE ENFORCEMENT - INSPECTIONS

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 181,882	\$ -	\$ 181,882	\$ 192,294	\$ 192,321	\$ 10,439
Supplies	13,864	(1,214)	12,650	21,637	22,185	9,535
Service charges	5,295	-	5,295	9,226	9,226	3,931
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 201,041	\$ (1,214)	\$ 199,827	\$ 223,157	\$ 223,732	\$ 23,905

TOTAL - PUBLIC SAFETY FUNCTION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 14,471,711	\$ (436,688)	\$ 14,035,023	\$ 14,891,650	\$ 14,525,274	\$ 490,251
Supplies	747,887	(603)	747,284	722,587	825,015	77,731
Service charges	2,016,357	(47,368)	1,968,989	2,127,634	2,268,826	299,837
Capital outlay	682,084	(225,512)	456,572	385,000	483,242	26,670
Total expenditures	\$ 17,918,039	\$ (710,171)	\$ 17,207,868	\$ 18,126,871	\$ 18,102,357	\$ 894,489

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC WORKS FUNCTION
YEAR ENDED JUNE 30, 2011

PUBLIC WORKS - TRAFFIC

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 163,565	\$ -	\$ 163,565	\$ 181,592	\$ 174,660	\$ 11,095
Supplies	58,042	24,017	82,059	74,500	81,432	(627)
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 221,607	\$ 24,017	\$ 245,624	\$ 256,092	\$ 256,092	\$ 10,468

PUBLIC WORKS - PARKWAYS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 89,265	\$ -	\$ 89,265	\$ 86,705	\$ 89,839	\$ 574
Supplies	21,377	(2,480)	18,897	22,000	22,618	3,721
Service charges	153,008	-	153,008	296,000	198,626	45,618
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 263,650	\$ (2,480)	\$ 261,170	\$ 404,705	\$ 311,083	\$ 49,913

PUBLIC WORKS - ENGINEERING & CAPITAL PROJECTS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ 68,337	\$ 35,751	\$ 35,751
Supplies	4,713	-	4,713	8,250	8,586	3,873
Service charges	86,778	29,700	116,478	80,000	99,595	(16,883)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 91,491	\$ 29,700	\$ 121,191	\$ 156,587	\$ 143,932	\$ 22,741

PUBLIC WORKS - FLEET MANAGEMENT

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 359,103	\$ -	\$ 359,103	\$ 402,846	\$ 402,926	\$ 43,823
Supplies	529,166	(99)	529,067	565,370	512,722	(16,345)
Service charges	107,487	(6,749)	100,738	49,977	101,985	1,247
Capital outlay	559	-	559	-	560	1
Total expenditures	\$ 996,315	\$ (6,848)	\$ 989,467	\$ 1,018,193	\$ 1,018,193	\$ 28,726

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC WORKS FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2011

PUBLIC WORKS - BUILDING MAINTENANCE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 555,019	\$ -	\$ 555,019	\$ 578,504	\$ 578,504	\$ 23,485
Supplies	181,067	3,257	184,324	200,000	200,000	15,676
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 736,086</u>	<u>\$ 3,257</u>	<u>\$ 739,343</u>	<u>\$ 778,504</u>	<u>\$ 778,504</u>	<u>\$ 39,161</u>

PUBLIC WORKS ADMINISTRATION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 638,394	\$ -	\$ 638,394	\$ 615,350	\$ 635,777	\$ (2,617)
Supplies	27,584	(327)	27,257	17,500	28,363	1,106
Service charges	106,921	50	106,971	84,420	104,477	(2,494)
Capital outlay	6,733	-	6,733	-	6,733	-
Total expenditures	<u>\$ 779,632</u>	<u>\$ (277)</u>	<u>\$ 779,355</u>	<u>\$ 717,270</u>	<u>\$ 775,350</u>	<u>\$ (4,005)</u>

TOTAL - PUBLIC WORKS FUNCTION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 1,805,346	\$ -	\$ 1,805,346	\$ 1,933,334	\$ 1,917,457	\$ 112,111
Supplies	821,949	24,368	846,317	887,620	853,721	7,404
Service charges	454,194	23,001	477,195	510,397	504,683	27,488
Capital outlay	7,292	-	7,292	-	7,293	1
Total expenditures	<u>\$ 3,088,781</u>	<u>\$ 47,369</u>	<u>\$ 3,136,150</u>	<u>\$ 3,331,351</u>	<u>\$ 3,283,154</u>	<u>\$ 147,004</u>

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
HEALTH AND WELFARE FUNCTION
YEAR ENDED JUNE 30, 2011

CODE ENFORCEMENT - HUMANE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 102,158	\$ -	\$ 102,158	\$ 77,906	\$ 101,890	\$ (268)
Supplies	3,361	130	3,491	2,849	3,379	(112)
Service charges	426	725	1,151	3,500	3,500	2,349
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 105,945	\$ 855	\$ 106,800	\$ 84,255	\$ 108,769	\$ 1,969

FOOD BANK

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 153,982	\$ -	\$ 153,982	\$ 140,607	\$ 153,922	\$ (60)
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 153,982	\$ -	\$ 153,982	\$ 140,607	\$ 153,922	\$ (60)

COUNCIL ON AGING

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 316,988	\$ -	\$ 316,988	\$ 340,265	\$ 324,100	\$ 7,112
Supplies	1,885	-	1,885	8,000	8,000	6,115
Service charges	334	-	334	11,437	11,707	11,373
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 319,207	\$ -	\$ 319,207	\$ 359,702	\$ 343,807	\$ 24,600

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
HEALTH AND WELFARE FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2011

HEALTH & WELFARE - MAINTENANCE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 41	\$ -	\$ 41	\$ 6,899	\$ 6,899	\$ 6,858
Supplies	32,055	-	32,055	44,000	35,520	3,465
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 32,096</u>	<u>\$ -</u>	<u>\$ 32,096</u>	<u>\$ 50,899</u>	<u>\$ 42,419</u>	<u>\$ 10,323</u>

TOTAL - HEALTH AND WELFARE FUNCTION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 573,169	\$ -	\$ 573,169	\$ 565,677	\$ 586,811	\$ 13,642
Supplies	37,301	130	37,431	54,849	46,899	9,468
Service charges	760	725	1,485	14,937	15,207	13,722
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 611,230</u>	<u>\$ 855</u>	<u>\$ 612,085</u>	<u>\$ 635,463</u>	<u>\$ 648,917</u>	<u>\$ 36,832</u>

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
CULTURE AND RECREATION FUNCTION
YEAR ENDED JUNE 30, 2011

LEISURE SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 129,412	\$ -	\$ 129,412	\$ 131,202	\$ 127,372	\$ (2,040)
Supplies	67,750	(3,231)	64,519	49,190	73,414	8,895
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 197,162	\$ (3,231)	\$ 193,931	\$ 180,392	\$ 200,786	\$ 6,855

TOURISM

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 49,221	\$ -	\$ 49,221	\$ 48,989	\$ 49,062	\$ (159)
Supplies	60,346	-	60,346	48,000	48,096	(12,250)
Service charges	6,343	-	6,343	15,000	15,720	9,377
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 115,910	\$ -	\$ 115,910	\$ 111,989	\$ 112,878	\$ (3,032)

CULTURE & RECREATION - HUMANITIES AND MUSEUMS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 204,628	\$ -	\$ 204,628	\$ 274,272	\$ 210,344	\$ 5,716
Supplies	6,845	(13,009)	(6,164)	10,000	11,626	17,790
Service charges	1,640	(977)	663	3,500	3,500	2,837
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 213,113	\$ (13,986)	\$ 199,127	\$ 287,772	\$ 225,470	\$ 26,343

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
CULTURE AND RECREATION FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2011

RECREATION - ATHLETICS

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 1,287,235	\$ -	\$ 1,287,235	\$ 1,378,854	\$ 1,298,079	\$ 10,844
Supplies	118,262	(6,741)	111,521	124,500	109,052	(2,469)
Service charges	542,237	(590)	541,647	517,667	543,763	2,116
Capital outlay	-	-	-	2,000	-	-
Total expenditures	\$ 1,947,734	\$ (7,331)	\$ 1,940,403	\$ 2,023,021	\$ 1,950,894	\$ 10,491

RECREATION MAINTENANCE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 1,213,500	\$ -	\$ 1,213,500	\$ 1,210,541	\$ 1,208,437	\$ (5,063)
Supplies	240,379	4,040	244,419	135,000	234,527	(9,892)
Service charges	163,161	(24,821)	138,340	155,000	139,595	1,255
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 1,617,040	\$ (20,781)	\$ 1,596,259	\$ 1,500,541	\$ 1,582,559	\$ (13,700)

COMMUNITY SERVICE - ADMINISTRATION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 221,605	\$ -	\$ 221,605	\$ 223,352	\$ 234,603	\$ 12,998
Supplies	7,346	(2,146)	5,200	11,000	11,000	5,800
Service charges	195,872	-	195,872	160,050	201,272	5,400
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 424,823	\$ (2,146)	\$ 422,677	\$ 394,402	\$ 446,875	\$ 24,198

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
CULTURE AND RECREATION FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2011

CITY PARK OPERATIONS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 109,772	\$ -	\$ 109,772	\$ 134,882	\$ 107,598	\$ (2,174)
Supplies	780	-	780	1,400	780	-
Service charges	48,684	712	49,396	48,500	46,119	(3,277)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 159,236	\$ 712	\$ 159,948	\$ 184,782	\$ 154,497	\$ (5,451)

TOTAL - CULTURE AND RECREATION FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 3,215,373	\$ -	\$ 3,215,373	\$ 3,402,092	\$ 3,235,495	\$ 20,122
Supplies	501,708	(21,087)	480,621	379,090	488,495	7,874
Service charges	957,937	(25,676)	932,261	899,717	949,969	17,708
Capital outlay	-	-	-	2,000	-	-
Total expenditures	\$ 4,675,018	\$ (46,763)	\$ 4,628,255	\$ 4,682,899	\$ 4,673,959	\$ 45,704

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
TRANSIT FUNCTION
YEAR ENDED JUNE 30, 2011

TOTAL - TRANSIT FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	363,134	(245,671)	117,463	205,691	75,321	(42,142)
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 363,134</u>	<u>\$ (245,671)</u>	<u>\$ 117,463</u>	<u>\$ 205,691</u>	<u>\$ 75,321</u>	<u>\$ (42,142)</u>

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GARBAGE COLLECTION AND DISPOSAL FUND
YEAR ENDED JUNE 30, 2011

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes:						
Ad valorem tax	\$ 723,875	\$ -	\$ 723,875	\$ 760,241	\$ 760,241	\$ (36,366)
Intergovernmental	165,063	(165,063)	-	-	-	-
Charges for services:						
Garbage fees and penalties	2,971,356	-	2,971,356	2,886,700	2,886,700	84,656
Interest	-	-	-	-	-	-
Total revenues	3,860,294	(165,063)	3,695,231	3,646,941	3,646,941	48,290
EXPENDITURES						
Public works:						
Contractual services	3,994,705	-	3,994,705	4,091,382	4,091,382	96,677
Total expenditures	3,994,705	-	3,994,705	4,091,382	4,091,382	96,677
Excess (deficiency) of revenues over (under) expenditures	(134,411)	(165,063)	(299,474)	(444,441)	(444,441)	144,967
OTHER FINANCING SOURCES (USES)						
Transfers in	299,474	-	299,474	444,441	444,441	(144,967)
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	299,474	-	299,474	444,441	444,441	(144,967)
Net change in fund balances	165,063	(165,063)	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-	-
Fund balance - end of year	\$ 165,063	\$ (165,063)	\$ -	\$ -	\$ -	\$ -

See accompanying note to budgetary comparison schedules.

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROADS AND BRIDGES FUND
YEAR ENDED JUNE 30, 2011

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes:						
Ad valorem tax	\$ 671,765	\$ -	\$ 671,765	\$ 806,121	\$ 656,121	\$ 15,644
Intergovernmental	-	-	-	-	-	-
Miscellaneous	12	-	12	-	-	12
Total revenues	<u>671,777</u>	<u>-</u>	<u>671,777</u>	<u>806,121</u>	<u>656,121</u>	<u>15,656</u>
EXPENDITURES						
Public works:						
Personnel	1,307,943	-	1,307,943	1,257,508	1,377,204	69,261
Supplies	216,678	5,935	222,613	248,815	248,815	26,202
Service charges	300	-	300	30,000	30,304	30,004
Total expenditures	<u>1,524,921</u>	<u>5,935</u>	<u>1,530,856</u>	<u>1,536,323</u>	<u>1,656,323</u>	<u>125,467</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(853,144)</u>	<u>(5,935)</u>	<u>(859,079)</u>	<u>(730,202)</u>	<u>(1,000,202)</u>	<u>141,123</u>
OTHER FINANCING SOURCES						
Transfers in	840,976	-	840,976	730,202	1,000,202	(159,226)
Net change in fund balance	<u>(12,168)</u>	<u>(5,935)</u>	<u>(18,103)</u>	-	-	<u>(18,103)</u>
Fund balance - beginning of year	<u>18,103</u>	<u>-</u>	<u>18,103</u>	-	-	<u>18,103</u>
Fund balance - end of year	<u>\$ 5,935</u>	<u>\$ (5,935)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying note to budgetary comparison schedules.

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STREET LIGHTING FUND
YEAR ENDED JUNE 30, 2011

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES						
Ad valorem tax	\$ 42	\$ -	\$ 42	\$ -	\$ -	\$ 42
Miscellaneous	11	-	11	-	-	11
Total revenues	53	-	53	-	-	53
EXPENDITURES						
Personnel	243,833	-	243,833	225,413	243,816	(17)
Supplies	75,869	13,167	89,036	80,000	83,288	(5,748)
Service charges	942,542	-	942,542	905,000	931,506	(11,036)
Total expenditures	1,262,244	13,167	1,275,411	1,210,413	1,258,610	(16,801)
Excess (deficiency) of revenues over (under) expenditures	(1,262,191)	(13,167)	(1,275,358)	(1,210,413)	(1,258,610)	(16,748)
OTHER FINANCING SOURCES						
Transfers in	1,260,617	-	1,260,617	1,210,413	1,258,610	2,007
Net change in fund balance	(1,574)	(13,167)	(14,741)	-	-	(14,741)
Fund balance - beginning of year	14,741	-	14,741	-	-	14,741
Fund balance - end of year	\$ 13,167	\$ (13,167)	\$ -	\$ -	\$ -	\$ -

See accompanying note to budgetary comparison schedules.

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AD VALOREM TAX BONDS FUND
YEAR ENDED JUNE 30, 2011

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES						
Taxes:						
Ad valorem tax	\$ 1,980,005	\$ -	\$ 1,980,005	\$ 1,979,855	\$ 1,979,855	\$ 150
Interest on invested funds	20	-	20	-	-	20
Total revenues	1,980,025	-	1,980,025	1,979,855	1,979,855	170
EXPENDITURES						
Debt service:						
Principal	1,440,000	-	1,440,000	1,440,000	1,440,000	-
Interest and fiscal charges	539,855	-	539,855	539,855	539,855	-
Agent fees	-	-	-	-	-	-
Total expenditures	1,979,855	-	1,979,855	1,979,855	1,979,855	-
Excess (deficiency) of revenues over (under) expenditures	170	-	170	-	-	170
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balance	170	-	170	-	-	170
Fund balance - beginning of year	48,795	-	48,795	48,795	48,795	-
Fund balance - end of year	\$ 48,965	\$ -	\$ 48,965	\$ 48,795	\$ 48,795	\$ 170

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIREMEN'S PENSION MERGER FUND
YEAR ENDED JUNE 30, 2011

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes						
Fire insurance premium	\$ 267,143	\$ -	\$ 267,143	\$ 272,732	\$ 272,732	\$ (5,589)
Interest on invested funds	-	-	-	1,500	1,500	(1,500)
Miscellaneous	-	-	-	-	-	-
Total revenues	267,143	-	267,143	274,232	274,232	(7,089)
EXPENDITURES						
Debt service:						
Principal	65,965	-	65,965	65,966	65,966	1
Interest and fiscal charges	171,738	-	171,738	171,739	171,739	1
Total expenditures	237,703	-	237,703	237,705	237,705	2
Excess (deficiency) of revenues over (under) expenditures	29,440	-	29,440	36,527	36,527	(7,087)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balance	29,440	-	29,440	36,527	36,527	(7,087)
Fund balance - beginning of year	646,266	-	646,266	646,266	646,266	-
Fund balance - end of year	\$ 675,706	\$ -	\$ 675,706	\$ 682,793	\$ 682,793	\$ (7,087)

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL DEBT FUND
YEAR ENDED JUNE 30, 2011

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES						
Taxes:						
Sales tax	\$ 4,087,947	\$ -	\$ 4,087,947	\$ 4,078,715	\$ 4,078,715	\$ 9,232
Interest on invested funds	3,393	-	3,393	10,500	10,500	(7,107)
Miscellaneous	-	-	-	-	-	-
Total revenues	4,091,340	-	4,091,340	4,089,215	4,089,215	2,125
EXPENDITURES						
Debt service:						
Principal	3,075,000	-	3,075,000	3,329,000	3,260,000	185,000
Interest	999,430	-	999,430	1,066,014	1,135,014	135,584
Miscellaneous	36,000	-	36,000	36,000	36,000	-
Total expenditures	4,110,430	-	4,110,430	4,431,014	4,431,014	320,584
Excess (deficiency) of revenues over (under) expenditures	(19,090)	-	(19,090)	(341,799)	(341,799)	322,709
OTHER FINANCING SOURCES (USES)						
Transfers in	341,799	-	341,799	341,799	341,799	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	341,799	-	341,799	341,799	341,799	-
Net change in fund balance	322,709	-	322,709	-	-	322,709
Fund balance - beginning of year	3,050,249	-	3,050,249	3,050,249	3,050,249	-
Fund balance - end of year	\$ 3,372,958	\$ -	\$ 3,372,958	\$ 3,050,249	\$ 3,050,249	\$ 322,709

**CITY OF KENNER, LOUISIANA
ENTERPRISE FUND DESCRIPTIONS
JUNE 30, 2011**

ENTERPRISE FUNDS

Enterprise Funds are used to report any activity for which a fee is charged to external users for goods or services.

DEPARTMENT OF WASTEWATER OPERATIONS FUND

The Department of Wastewater Operations Fund accounts for the sewer services provided to the residents of the City of Kenner.

CIVIC CENTER OPERATIONS FUND

The Civic Center Operations Fund accounts for the operations of the Pontchartrain Civic Center.

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
WASTEWATER OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2011

	ACTUAL	ADJ. TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
OPERATING REVENUES						
Charges for services						
Sewerage service charges	\$ 4,399,069	\$ -	\$ 4,399,069	\$ 4,233,381	\$ 4,483,381	\$ (84,312)
Miscellaneous	1,158	-	1,158	1,000	1,000	158
Total operating revenues	4,400,227	-	4,400,227	4,234,381	4,484,381	(84,154)
OPERATING EXPENSES						
Supplies and other expenses	4,175	-	4,175	-	4,176	1
Building and maintenance expenses	73,543	-	73,543	60,000	56,941	(16,602)
Outside services	4,854,036	-	4,854,036	4,697,338	4,946,221	92,185
Insurance claims	-	-	-	-	-	-
Insurance premiums	-	-	-	-	-	-
Depreciation	2,285,993	(2,285,993)	-	-	-	-
Other	15,429	-	15,429	15,500	15,500	71
Total operating expenses	7,233,176	(2,285,993)	4,947,183	4,772,838	5,022,838	75,655
Operating income (loss)	(2,832,949)	2,285,993	(546,956)	(538,457)	(538,457)	(8,499)
NON-OPERATING REVENUES (EXPENSES)						
Ad valorem taxes	512,750	-	512,750	538,307	538,307	(25,557)
Hotel/motel taxes	-	-	-	-	-	-
Cable television franchise fees	-	-	-	-	-	-
Operating grants	97	-	97	-	-	97
Interest income	307	-	307	150	150	157
Interest expense	-	-	-	-	-	-
Total non-operating revenues (expenses)	513,154	-	513,154	538,457	538,457	(25,303)
Income (loss) before contributions and transfers	(2,319,795)	2,285,993	(33,802)	-	-	(33,802)
Capital contributions	6,706,005	(6,706,005)	-	-	-	-
Transfer in	45,900	(45,900)	-	-	-	-
Change in net assets	4,432,110	(4,465,912)	(33,802)	-	-	(33,802)
Net assets - beginning of year	47,067,808	-	47,067,808	47,067,808	47,067,808	-
Net assets - end of year	\$ 51,499,918	\$ (4,465,912)	\$ 47,034,006	\$ 47,067,808	\$ 47,067,808	\$ (33,802)

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
CIVIC CENTER OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2011

	ACTUAL	ADJ. TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
OPERATING REVENUES						
Charges for services:						
Rental charges	\$ 648,954	\$ -	\$ 648,954	\$ 650,000	\$ 650,000	\$ (1,046)
Parking	48,950	-	48,950	55,000	55,000	(6,050)
Concessions	64,967	-	64,967	80,000	80,000	(15,033)
Catering	96,823	-	96,823	90,000	90,000	6,823
Reimbursed services	370,645	-	370,645	327,000	327,000	43,645
Advertising	15,945	-	15,945	15,900	15,900	45
Miscellaneous	6,141	-	6,141	15,100	15,100	(8,959)
Total charges for services	1,252,425	-	1,252,425	1,233,000	1,233,000	19,425
Miscellaneous	6,532	-	6,532	-	-	6,532
Total operating revenues	1,258,957	-	1,258,957	1,233,000	1,233,000	25,957
OPERATING EXPENSES						
Supplies and other expenses	25,950	-	25,950	21,440	21,440	(4,510)
Building and maintenance expense	666,189	-	666,189	605,350	605,350	(60,839)
Outside services	1,267,414	-	1,267,414	1,237,890	1,237,890	(29,524)
Insurance premiums	81,974	-	81,974	113,150	113,150	31,176
General expenses:						
Depreciation	1,255,845	(1,255,845)	-	-	-	-
Other	23,903	-	23,903	-	-	(23,903)
Total operating expenses	3,321,275	(1,255,845)	2,065,430	1,977,830	1,977,830	(87,600)
Operating Income (loss)	(2,062,318)	1,255,845	(806,473)	(744,830)	(744,830)	(61,643)
NON-OPERATING REVENUES						
Hotel/motel taxes	340,181	-	340,181	291,908	391,908	(51,727)
Cable television franchise fees	421,522	-	421,522	416,550	416,550	4,972
Interest income	635	-	635	1,500	1,500	(865)
Gain on disposal of assets	-	-	-	-	-	-
Total non-operating revenues	762,338	-	762,338	709,958	809,958	(47,620)
Income(loss) before contributions, transfers, and extraordinary item	(1,299,980)	1,255,845	(44,135)	(34,872)	65,128	(109,263)
Loss on insurance receivable	-	-	-	-	-	-
Transfers out	(1,250,000)	1,250,000	-	-	-	-
Change in net assets	(2,549,980)	2,505,845	(44,135)	(34,872)	65,128	(109,263)
Net assets - beginning of year	21,015,676	-	21,015,676	21,015,676	21,015,676	-
Net assets - end of year	\$ 18,465,696	\$ 2,505,845	\$ 20,971,541	\$ 20,980,804	\$ 21,080,804	\$ (109,263)

**CITY OF KENNER, LOUISIANA
INTERNAL SERVICE FUND DESCRIPTIONS
JUNE 30, 2011**

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

SELF-INSURANCE FUND

The Self-Insurance Fund accounts for monies accumulated to provide automobile, property damage and worker's compensation for which the City is self-insured.

HEALTH INSURANCE FUND

The Health Insurance Fund accounts for monies accumulated to pay the health insurance premiums.

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2011

	<u>SELF- INSURANCE FUND</u>	<u>HEALTH INSURANCE FUND</u>	<u>TOTAL</u>
ASSETS			
Cash	\$ 920,377	\$ 369,814	\$ 1,290,191
Equity in pooled cash	-	-	-
Investments	337,993	-	337,993
Due from other funds	-	-	-
	<u>1,258,370</u>	<u>369,814</u>	<u>1,628,184</u>
Total assets			
LIABILITIES			
Accounts payable	-	-	-
Estimated claims payable	5,008,769	-	5,008,769
Due to other funds	199,048	362,217	561,265
	<u>5,207,817</u>	<u>362,217</u>	<u>5,570,034</u>
Total liabilities			
NET ASSETS			
Unrestricted	<u>\$ (3,949,447)</u>	<u>\$ 7,597</u>	<u>\$ (3,941,850)</u>

**CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2011**

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
OPERATING REVENUES			
Charges for services	\$ 200,000	\$ 4,385,447	\$ 4,585,447
OPERATING EXPENSES			
Outside services	150,880	-	150,880
Insurance claims	2,161,271	-	2,161,271
Insurance premiums	-	4,392,588	4,392,588
Total operating expenses	2,312,151	4,392,588	6,704,739
Operating income	(2,112,151)	(7,141)	(2,119,292)
NON-OPERATING REVENUE (EXPENSE)			
Interest revenue	-	148	148
Total non-operating revenue	-	148	148
Income before transfers	(2,112,151)	(6,993)	(2,119,144)
Transfers in	-	-	-
Change in net assets	(2,112,151)	(6,993)	(2,119,144)
Net assets - beginning of year	(1,837,296)	14,590	(1,822,706)
Net assets - end of year	\$ (3,949,447)	\$ 7,597	\$ (3,941,850)

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2011

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
Cash flows from operating activities:			
Receipts from insured	\$ 200,000	\$ 4,385,447	\$ 4,585,447
Payments to suppliers	(985,276)	(4,392,588)	(5,377,864)
Internal activity - payments from other funds	486,097	-	486,097
Net cash used for operating activities	<u>(299,179)</u>	<u>(7,141)</u>	<u>(306,320)</u>
Cash flows from non-capital financing activities:			
Internal activity-receipts from other funds	-	213,488	213,488
Net cash provided by non-capital financing activities	<u>-</u>	<u>213,488</u>	<u>213,488</u>
Cash flows from investing activities:			
Proceeds from sales and maturities of investments	3,126,217	-	3,126,217
Purchases of investments	(2,745,236)	-	(2,745,236)
Interest and dividends received	-	148	148
Net cash provided by investing activities	<u>380,981</u>	<u>148</u>	<u>381,129</u>
 Net increase (decrease) in cash and cash equivalents	 81,802	 206,495	 288,297
Cash and cash equivalents, beginning of year	<u>838,575</u>	<u>163,319</u>	<u>1,001,894</u>
Cash and cash equivalents, end of year	<u>\$ 920,377</u>	<u>\$ 369,814</u>	<u>\$ 1,290,191</u>
 Reconciliation to Statement of Net Assets:			
Cash	\$ 920,377	\$ 369,814	\$ 1,290,191
Equity in pooled cash	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ 920,377</u>	<u>\$ 369,814</u>	<u>\$ 1,290,191</u>
 Reconciliation of operating income to net cash provided by (used for) operating activities:			
Operating income	\$ (2,112,151)	\$ (7,141)	\$ (2,119,292)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Change in assets and liabilities:			
Decrease in due from other funds	-	-	-
Increase in accounts payable	-	-	-
Decrease in estimated claims payable	1,326,875	-	1,326,875
Increase in due to other funds	486,097	-	486,097
Total adjustments	<u>1,812,972</u>	<u>-</u>	<u>1,812,972</u>
Net cash provided by (used for) operating activities	<u>\$ (299,179)</u>	<u>\$ (7,141)</u>	<u>\$ (306,320)</u>

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2011

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
Noncash investing, capital, and financing activities:			
Gain on fair market value of investments	\$ -	\$ -	\$ -
(Increase) in fair market value of investments	<u>-</u>	<u>-</u>	<u>-</u>
 Net effect of noncash activities	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

CITY OF KENNER, LOUISIANA
SCHEDULE OF COUNCILPERSONS' COMPENSATION
YEAR ENDED JUNE 30, 2011

<u>COUNCILPERSON</u>	<u>NUMBER OF DAYS SERVED</u>	<u>COMPENSATION</u>
Jeannie Black	365	26,956
Michele Branigan	365	26,063
Gregory Carroll	365	21,130
Maria Defrancesch	365	21,099
Kent Denapolis	365	24,068
Joseph Stagni	365	20,637
Ben Zahn	365	20,637

STATISTICAL SECTION

This part of the City of Kenner's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the city's overall financial health.

Contents

Schedules

Financial Trends

1 - 4

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

Revenue Capacity

5 - 9

These schedules contain information to help the reader assess the city's most significant local revenue source, the sales tax, as well as the property tax.

Debt Capacity

10 - 14

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

Demographic and Economic Information

15 - 16

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.

Operating Information

17 - 19

These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF KENNER, LOUISIANA
SCHEDULE 1 -- NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS
(accrual basis of accounting)
(Unaudited)

	Fiscal Year						
	2005	2006	2007	2008	2009	2010	2011
Governmental activities							
Invested in capital assets, net of related debt	\$ 265,281,815	\$ 256,363,785	\$ 248,306,577	\$ 244,639,856	\$ 234,218,393	\$ 226,326,766	\$ 205,360,570
Restricted	26,478,404	21,009,433	23,398,322	27,218,388	22,121,215	18,214,320	17,903,956
Unrestricted	11,105,112	14,879,543	15,404,612	7,235,778	1,516,876	(2,398,068)	(127,032)
Total governmental activities net assets	\$ 302,865,331	\$ 292,252,761	\$ 287,109,511	\$ 279,094,022	\$ 257,856,484	\$ 242,143,018	\$ 223,137,494
Business-type activities							
Invested in capital assets, net of related debt	\$ 67,666,013	\$ 70,241,549	\$ 72,959,236	\$ 72,161,240	\$ 70,647,425	\$ 67,464,821	\$ 70,674,888
Restricted	4,156,291	5,684,420	5,282,191	2,795,799	2,238,244	618,663	(709,274)
Total business-type activities net assets	\$ 71,822,304	\$ 75,925,969	\$ 78,241,427	\$ 74,957,039	\$ 72,885,669	\$ 68,083,484	\$ 69,965,614
Primary government							
Invested in capital assets, net of related debt	\$ 332,547,828	\$ 326,605,334	\$ 321,265,813	\$ 316,801,096	\$ 304,865,818	\$ 293,791,587	\$ 276,035,458
Restricted	26,478,404	21,009,433	23,398,322	27,218,388	22,121,215	18,214,320	17,903,956
Unrestricted	15,261,403	20,563,963	20,686,803	10,031,577	3,755,120	(1,779,405)	(836,306)
Total primary government net assets	\$ 374,287,635	\$ 368,178,730	\$ 365,350,938	\$ 354,051,061	\$ 330,742,153	\$ 310,226,502	\$ 293,103,108

Source: Audited Comprehensive Annual Financial Reports
Information available for seven years

CITY OF KENNER, LOUISIANA
SCHEDULE 2 -- CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS
(accrual basis of accounting)
(Unaudited)

	Fiscal Year					
	2005	2006	2007	2008	2009	2010
Expenses						2011
Governmental activities:						
General government	\$ 11,136,386	\$ 16,926,989	\$ 12,907,101	\$ 13,289,818	\$ 13,018,580	\$ 12,445,711
Public safety	27,037,221	28,711,953	29,353,249	27,769,729	28,264,207	28,176,202
Public works	40,350,132	59,920,613	33,441,899	27,424,676	36,922,961	30,431,909
Health and welfare	832,148	866,376	878,512	899,891	981,103	927,097
Culture and recreation	5,599,300	6,199,348	6,247,393	6,914,409	7,250,042	9,550,670
Transit and urban development	1,405,662	1,219,917	1,439,340	1,767,208	1,672,568	1,981,932
Miscellaneous	1,243,559	-	-	-	-	-
Interest on long-term debt and other charges	2,890,988	2,673,906	2,454,040	2,229,839	2,044,374	1,858,468
Total government activities expenses	90,495,396	116,519,102	86,721,534	80,295,570	90,153,835	85,371,989
Business-type activities:						
Wastewater operations	6,724,642	6,822,502	7,575,122	7,654,289	7,337,405	7,282,712
Civic center operations	2,297,633	2,262,446	2,514,437	3,286,880	3,149,541	3,156,767
Total business-type activities expenses	9,022,275	9,084,948	10,089,559	10,941,169	10,486,946	10,439,479
Total primary government expenses	\$ 99,517,671	\$ 125,604,050	\$ 96,811,093	\$ 91,236,739	\$ 100,640,781	\$ 95,811,468
Program Revenues						
Governmental activities:						
Charges for services:						
General government	\$ 5,292,167	\$ 5,386,009	\$ 5,960,491	\$ 4,803,865	\$ 5,607,294	\$ 5,959,847
Public safety	3,807,737	2,915,463	2,939,746	3,157,328	3,264,140	4,828,953
Public works	4,068,182	3,229,627	3,566,541	3,582,874	3,548,013	4,027,778
Other activities	1,101,295	1,055,042	1,210,952	1,119,940	1,157,862	1,325,504
Operating grants and contributions	1,539,206	33,969,171	6,184,413	1,485,783	2,736,962	2,321,055
Capital grants and contributions	3,144,655	2,713,108	1,016,018	1,722,264	1,104,317	3,617,474
Total governmental activities program revenues	18,953,242	49,268,420	20,878,161	15,872,054	17,418,589	22,080,611
Business-type activities:						
Charges for services:						
Wastewater operations	4,108,180	3,654,041	3,836,783	3,560,457	3,558,879	3,517,961
Civic center operations	1,177,791	849,424	1,338,906	1,432,841	1,297,787	1,266,846
Operating grants and contributions	-	-	-	-	-	-
Capital grants and contributions	8,123,606	5,731,335	1,011,405	1,523,258	2,020,875	325,899
Total business-type activities program revenues	13,409,577	10,234,800	6,187,094	6,516,556	6,877,541	5,110,706
Total primary government program revenues	\$ 32,362,819	\$ 59,503,220	\$ 27,065,255	\$ 22,388,610	\$ 24,296,130	\$ 27,191,317
						\$ 20,268,203

(Continued)

Source: Audited Comprehensive Annual Financial Reports
Information available for seven years

CITY OF KENNER, LOUISIANA
SCHEDULE 2 -- CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS (CONTINUED)
(accural basis of accounting)
(Unaudited)

	Fiscal Year						
	2005	2006	2007	2008	2009	2010	2011
Net (Expense) Revenue							
Governmental activities	\$ (71,452,154)	\$ (67,250,682)	\$ (65,843,373)	\$ (64,423,516)	\$ (72,735,246)	\$ (63,291,378)	\$ (69,749,944)
Business-type activities	4,387,302	1,149,852	(3,902,465)	(4,424,613)	(3,609,405)	(5,328,773)	1,809,580
Total primary government net expense	<u>\$ (67,064,852)</u>	<u>\$ (66,100,830)</u>	<u>\$ (69,745,838)</u>	<u>\$ (68,848,129)</u>	<u>\$ (76,344,651)</u>	<u>\$ (68,620,151)</u>	<u>\$ (67,940,364)</u>
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes:							
Ad valorem	\$ 8,202,464	\$ 7,107,144	\$ 6,699,015	\$ 7,717,615	\$ 7,752,642	\$ 7,479,348	\$ 7,940,366
Sales and use	31,510,382	37,224,188	37,656,053	34,844,151	31,580,500	29,758,967	30,788,076
Beer tax	70,958	92,224	88,947	86,346	80,061	77,085	70,485
Parking	1,627,788	1,392,586	1,850,618	1,967,173	1,932,718	1,864,772	1,952,097
Franchise	9,408,622	9,122,764	8,501,548	8,290,040	8,044,911	7,648,751	8,142,735
Unrestricted grants and contributions	206,922	436,183	1,015,006	609,237	1,067,893	118,139	313,757
Investment earnings	925,014	1,321,158	1,771,428	1,190,080	312,019	40,466	56,054
Miscellaneous	318,747	899,720	3,542,060	276,211	844,350	240,378	190,806
Gain (loss) on disposal of capital assets	-	(54,627)	-	-	-	-	85,951
Transfers	-	(903,228)	(424,547)	1,427,171	(225,000)	-	1,204,100
Total governmental activities	<u>52,270,897</u>	<u>56,638,112</u>	<u>60,700,128</u>	<u>56,408,024</u>	<u>51,390,094</u>	<u>47,227,906</u>	<u>50,744,427</u>
Business-type activities:							
Taxes:							
Ad valorem	535,700	478,714	445,939	452,936	509,652	522,429	512,750
Sales and use	493,112	489,735	196,045	144,116	340,181	382,424	340,181
Franchise	726,550	264,847	354,778	402,066	439,614	454,143	421,522
Unrestricted grants and contributions	-	-	587,691	495,394	-	2,552	97
Investment earnings	47,724	126,395	166,101	40,033	5,642	1,139	942
Miscellaneous	12,663	14,268	32,610	19,574	17,945	11,545	1,158
Gain (loss) on disposal of capital assets	-	676,624	-	-	-	-	-
Proceeds from insurance	-	-	4,010,212	1,013,277	-	-	-
Transfers	-	903,228	424,547	(1,427,171)	225,000	(497,644)	(1,204,100)
Total business-type activities	<u>1,815,749</u>	<u>2,953,811</u>	<u>6,217,923</u>	<u>1,140,225</u>	<u>1,538,034</u>	<u>876,588</u>	<u>72,550</u>
Total primary government	<u>\$ 54,086,646</u>	<u>\$ 59,591,923</u>	<u>\$ 66,918,051</u>	<u>\$ 57,548,249</u>	<u>\$ 52,928,128</u>	<u>\$ 48,104,494</u>	<u>\$ 50,816,977</u>
Change in Net Assets							
Governmental activities	\$ (19,181,257)	\$ (10,612,570)	\$ (5,143,245)	\$ (8,015,492)	\$ (21,345,152)	\$ (16,063,472)	\$ (19,005,517)
Business-type activities	6,203,051	4,103,663	2,315,458	(3,284,388)	(2,071,371)	(4,452,185)	1,882,130
Total primary government	<u>\$ (12,978,206)</u>	<u>\$ (6,508,907)</u>	<u>\$ (2,827,787)</u>	<u>\$ (11,299,880)</u>	<u>\$ (23,416,523)</u>	<u>\$ (20,515,657)</u>	<u>\$ (17,123,387)</u>

CITY OF KENNER, LOUISIANA
SCHEDULE 3 -- FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2002	2003	2004	2005	2006
General fund					
Reserved	\$ 8,831,450	\$ 7,338,139	\$ 1,534,036	\$ 1,807,313	\$ 3,488,905
Unreserved	5,187,923	3,978,777	9,192,906	8,566,552	11,923,761
Total general fund	<u>\$ 14,019,373</u>	<u>\$ 11,316,916</u>	<u>\$ 10,726,942</u>	<u>\$ 10,373,865</u>	<u>\$ 15,412,666</u>
All other governmental funds					
Reserved	\$ 9,673,173	\$ 7,557,497	\$ 7,369,895	\$ 12,612,559	\$ 8,873,307
Unreserved, reported in:					
Special revenue funds	1,094,835	596,819	1,068,431	850,335	101,618
Capital projects funds	9,980,659	30,864,692	27,038,670	13,873,112	12,298,987
Total all other governmental funds	<u>\$ 20,748,667</u>	<u>\$ 39,019,008</u>	<u>\$ 35,476,996</u>	<u>\$ 27,336,006</u>	<u>\$ 21,273,912</u>

(Continued)

Source: Audited Comprehensive Annual Financial Reports

CITY OF KENNER, LOUISIANA
SCHEDULE 3 – FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (CONTINUED)
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2007	2008	2009	2010	2011
General fund					
Reserved	\$ 3,015,687	\$ 2,731,484	\$ 3,067,891	\$ 1,513,885	\$ -
Unreserved	14,548,014	10,372,283	5,767,289	6,480,932	-
Nonspendable	-	-	-	-	489,360
Restricted	-	-	-	-	1,986,029
Committed	-	-	-	-	410,554
Assigned	-	-	-	-	2,012,582
Unassigned	-	-	-	-	7,686,775
Total general fund	\$ 17,563,701	\$ 13,103,767	\$ 8,835,180	\$ 7,994,817	\$ 12,585,300
All other governmental funds					
Reserved	\$ 8,263,025	\$ 5,064,190	\$ 5,363,166	\$ 4,603,768	\$ -
Unreserved, reported in:					
Special revenue funds	383,160	472,611	530,256	597,914	-
Capital projects funds	14,252,947	20,811,754	16,585,811	13,097,466	-
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	18,601,334
Committed	-	-	-	-	70,291
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(396,366)
Total all other governmental funds	\$ 22,899,132	\$ 26,348,555	\$ 22,479,233	\$ 18,299,148	\$ 18,275,259

CITY OF KENNER, LOUISIANA
SCHEDULE 4 -- CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2002	2003	2004	2005	2006
Revenues					
Taxes	\$ 45,272,888	\$ 44,303,236	\$ 48,272,274	\$ 49,244,807	\$ 53,238,001
Licenses and permits	2,526,009	2,618,274	2,687,581	2,823,174	2,681,243
Intergovernmental	4,874,422	4,026,343	3,914,996	5,730,564	38,022,399
Charges for services	3,190,453	3,336,027	3,450,591	4,324,475	2,807,703
Fines and forfeitures	1,842,280	2,613,318	2,472,038	1,922,748	1,470,243
Interest	820,693	337,857	229,500	828,905	1,161,375
Miscellaneous	687,151	943,194	1,560,180	1,481,979	1,765,627
Total revenues	59,213,896	58,198,249	62,587,160	66,356,652	101,146,591
Expenditures					
General government	9,660,197	9,471,276	9,446,197	9,326,088	15,872,062
Public safety	24,507,080	23,103,465	23,412,514	22,855,609	24,607,342
Public works	18,083,457	30,259,491	16,770,248	25,165,435	43,955,321
Health and welfare	731,436	762,666	675,729	736,402	768,738
Culture and recreation	7,996,735	7,106,462	6,779,011	5,958,943	7,072,612
Transit and urban development	1,865,873	1,037,821	1,333,340	1,340,747	1,216,410
Miscellaneous	1,666,603	1,236,095	1,103,691	1,232,809	-
Debt Service					
Principal	3,324,903	3,579,096	4,933,939	5,207,731	4,957,148
Interest and fiscal charges	2,479,481	2,373,071	2,966,450	2,990,955	2,781,023
Agent Fees	24,975	1,247,745	49,905	-	-
Miscellaneous	18,000	18,000	34,500	36,000	36,000
Advance refunding escrow	-	-	-	-	-
Total expenditures	70,358,740	80,195,188	67,505,524	74,850,719	101,266,656
Excess (deficiency) of revenues over (under) expenditures	(11,144,844)	(21,996,939)	(4,918,364)	(8,494,067)	(120,065)
Other financing sources (uses)					
Transfers in	18,366,560	18,358,647	21,552,254	19,076,976	23,673,849
Transfers out	(18,366,560)	(18,358,647)	(21,552,254)	(19,076,976)	(24,577,077)
Payment to refunded bond escrow agent	-	(22,070,959)	-	-	-
Proceeds of refunding bonds and other debt	2,257,500	59,635,782	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Proceeds of refunding bonds and other debt	-	-	-	-	-
Total other financing sources (uses)	2,257,500	37,564,823	-	-	-
Net change in fund balances	\$ (8,887,344)	\$ 15,567,884	\$ (4,918,364)	\$ (8,494,067)	\$ (903,228)
Debt service, (interest and principal only) as a percentage of noncapital expenditures	9.47%	11.53%	12.67%	11.88%	8.23%

(Continued)

Source: Audited Comprehensive Annual Financial Reports

CITY OF KENNER, LOUISIANA
SCHEDULE 4 -- CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS (CONTINUED)
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2007	2008	2009	2010
Revenues				
Taxes	\$ 54,009,655	\$ 51,739,778	\$ 47,986,366	\$ 45,799,281
Licenses and permits	3,148,087	3,018,733	2,903,728	4,402,801
Intergovernmental	9,133,635	4,719,364	5,743,213	6,825,921
Charges for services	3,262,439	4,078,054	3,653,004	4,408,484
Fines and forfeitures	1,765,365	1,914,909	1,844,873	2,124,594
Interest	1,590,888	1,065,024	265,958	13,201
Miscellaneous	4,434,300	1,065,050	2,001,135	1,458,777
Total revenues	77,344,369	67,600,912	64,398,277	65,033,059
Expenditures				
General government	11,312,207	11,268,348	11,210,646	10,457,451
Public safety	26,286,768	25,052,506	25,057,413	24,891,692
Public works	19,286,746	17,405,299	19,521,070	17,940,695
Health and welfare	813,585	809,371	741,978	684,543
Culture and recreation	6,174,965	6,096,907	6,286,562	8,564,497
Transit and urban development	1,379,316	1,708,333	1,604,607	1,858,565
Miscellaneous	-	-	-	-
Debt Service				
Principal	5,120,020	5,348,709	5,562,517	5,946,595
Interest and fiscal charges	2,551,708	2,313,121	2,114,697	1,924,444
Agent Fees	-	-	-	-
Miscellaneous	36,000	36,000	36,000	36,000
Total expenditures	72,961,315	70,038,594	72,135,490	72,304,482
Excess (deficiency) of revenues over (under) expenditures	4,383,054	(2,437,682)	(7,737,213)	(7,271,423)
Other financing sources (uses)				
Transfers in	22,317,271	26,252,654	24,007,673	19,826,803
Transfers out	(22,924,071)	(24,825,483)	(24,515,984)	(19,608,479)
Proceeds of refunding bonds and other debt	-	-	-	2,032,646
Total other financing sources (uses)	(606,800)	1,427,171	(508,311)	2,250,970
Net change in fund balances	\$ 3,776,254	\$ (1,010,511)	\$ (8,245,524)	\$ (5,020,453)
Debt service, (interest and principal only) as a percentage of noncapital expenditures	11.66%	12.69%	11.22%	11.98%
				9.11%

CITY OF KENNER, LOUISIANA
SCHEDULE 5 -- DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN YEARS
(Unaudited)

Fiscal Year	City Direct Rate (1)	Overlapping Rates	
		Jefferson Parish (2)	Jefferson Parish School Board
2001	2.5833%	0.1667%	2.0000%
2002	2.5833%	0.1667%	2.0000%
2003	2.5833%	0.1667%	2.0000%
2004	2.5833%	0.1667%	2.0000%
2005	2.5833%	0.1667%	2.0000%
2006	2.5833%	0.1667%	2.0000%
2007	2.5833%	0.1667%	2.0000%
2008	2.5833%	0.1667%	2.0000%
2009	2.5833%	0.1667%	2.0000%
2010	2.5833%	0.1667%	2.0000%
2011	2.5833%	0.1667%	2.0000%

NOTES: (1) As discussed in NOTE F to the Financial Statements, the State of Louisiana levies a 4.0% sales tax on purchases within the City of Kenner. In addition, the Parish of Jefferson levies a 4.75% sales tax on purchases within the City of Kenner. From the 4.75% levied by Jefferson Parish, 2.5833% is collected for, and remitted to, the City of Kenner. The sales tax rate is determined by the Jefferson Parish Council, subject to the approval of the voters of Jefferson Parish. The City of Kenner also receives one-third of a 2% sales tax on purchases made in the airport taxing district located within the city limits, but this amount is insignificant compared to the City's share of the 4.75% Jefferson Parish sales tax.

(2) Jefferson Parish retains .1667% of the 4.75% sales tax levied on purchases within the City of Kenner.

(3) Information regarding the breakdown of taxable sales by category is not available.

(4) Information regarding the principal sales tax remitters is not available.

CITY OF KENNER, LOUISIANA
SCHEDULE 6 -- ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Real Estate	Personal Property	Tax Sale	Public Service Corporations	Railway Rolling Stock	Total Assessments	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value (1)
2002	\$301,464,836	\$ 64,234,420	\$3,064,840	\$31,651,971	\$ 54,620	\$400,470,687	\$ 106,533,925	\$293,936,762	19.24	\$ 3,684,903,500	7.98%
2003	311,030,813	68,166,379	3,464,023	30,730,166	60,770	413,452,151	107,177,755	306,274,396	18.99	3,804,663,793	8.05%
2004	322,026,628	77,645,279	1,989,158	31,033,936	57,070	432,752,071	107,368,993	325,383,078	27.79	3,965,066,427	8.21%
2005	369,431,810	79,188,729	3,320,253	32,768,233	57,790	484,766,815	110,125,676	374,641,139	24.34	4,474,285,643	8.37%
2006	286,403,720	86,273,418	1,207,933	32,958,375	54,090	406,897,536	88,406,826	318,490,710	23.93	3,671,355,750	8.68%
2007	288,932,430	95,346,480	1,186,233	27,614,404	30,310	413,109,857	88,061,041	325,048,816	23.93	4,034,995,413	8.06%
2008	327,511,670	92,948,219	1,371,023	23,700,582	36,100	445,567,594	93,303,048	352,264,546	23.93	4,371,983,590	8.06%
2009	444,827,980	96,831,156	2,693,550	26,184,409	40,700	570,577,795	106,243,290	464,334,505	18.13	5,295,590,450	8.77%
2010	448,346,980	94,662,776	2,789,130	27,699,147	46,460	573,544,493	105,611,567	467,932,926	18.13	5,327,416,986	8.78%
2011	450,120,302	83,599,919	2,884,080	27,480,863	34,570	564,119,734	105,508,260	458,611,474	18.13	5,270,812,833	8.70%

Source: Jefferson Parish Assessor's Office.

NOTE: Assessed values are established by the Parish Assessor by December of each year at 10 percent of assumed market value for real property and 15 percent of assumed market value for other property. A revaluation of all property is required to be completed every four years. The last revaluation was completed for December, 2008. Tax rates are per \$100 of assessed value.

(1) Includes tax-exempt property.

CITY OF KENNER, LOUISIANA
SCHEDULE 7 -- DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)
(Unaudited)

Fiscal Year	City Direct Rates						Overlapping Rate		Total Direct & Overlapping Rates
	Basic Rate	Garbage Collection	Fire Protection	General Obligation Debt Service	Street Maintenance & Improvement	Wastewater Operations	Total Direct	Jefferson Parish Districts (1)	
2002	\$ 3.11	\$ 2.40	\$ 11.02	\$ 1.00	\$ -	\$ 1.71	\$ 19.24	\$ 67.75	\$ 86.99
2003	3.11	2.40	11.02	0.75	-	1.71	18.99	68.99	87.98
2004	3.11	2.40	11.02	0.75	8.80	1.71	27.79	69.82	97.61
2005	2.75	2.12	9.76	0.41	7.79	1.51	24.34	67.25	91.59
2006	2.75	2.12	9.76	-	7.79	1.51	23.93	76.95	100.88
2007	2.75	2.12	9.76	-	7.79	1.51	23.93	68.60	92.53
2008	2.75	2.12	9.76	-	7.79	1.51	23.93	63.41	87.34
2009	2.08	1.61	7.40	-	5.90	1.14	18.13	64.46	82.59
2010	2.08	1.61	7.40	-	5.90	1.14	18.13	64.46	82.59
2011	2.08	1.61	7.40	-	5.90	1.14	18.13	64.46	82.59

(1) Source: Jefferson Parish Assessor.

CITY OF KENNER, LOUISIANA
SCHEDULE 8 -- PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

Taxpayer	June 30, 2011			June 30, 2002		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Five Properties LLC	\$ 7,568,140	1	4.67%			
Esplanade Mall Ltd. Partnership	7,147,690	2	4.41%			
Southwest Airlines Co	7,063,680	3	4.36%	\$ 9,568,510	1	2.40%
Wal-Mart Real Estate Business Trust	4,178,250	4	2.58%			
Treasure Chest Casino LLC	4,770,405	5	2.94%	3,333,355	4	0.80%
Bellsouth	4,492,312	6	2.77%	5,029,570	3	1.30%
Pellerin Milnor Corp	5,088,030	7	3.14%	2,093,358	10	0.50%
Westport Petroleum	4,751,775	8	2.93%			
Entergy Louisiana	4,534,090	9	2.80%			
Motiva Enterprises	3,352,630	10	2.07%			
Continental Airlines Inc			0.00%	2,805,790	5	0.70%
CF Kenner Associates				6,441,710	2	1.60%
Sterik Company				2,300,000	7	0.60%
Delta Airlines				2,410,450	6	0.60%
Kenner Hotel Ltd. Partnership				2,283,010	8	0.60%
United Airlines				2,099,490	9	0.50%
Totals	<u>\$52,947,002</u>		<u>32.68%</u>	<u>\$38,365,243</u>		<u>9.60%</u>

Source: City of Kenner Finance Department

CITY OF KENNER, LOUISIANA
SCHEDULE 9 -- PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected (or Adjusted) within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$ 5,655,345	\$ 5,455,652	96.47%	\$ 145,787	\$ 5,601,439	99.05%
2003	5,816,207	5,587,414	96.07%	115,132	5,702,546	98.05%
2004	9,042,453	8,675,012	95.94%	190,636	8,865,648	98.04%
2005	9,118,769	8,781,235	96.30%	109,990	8,891,225	97.50%
2006	7,621,482	6,977,226	91.55%	489,107	7,466,333	97.96%
2007	7,778,454	7,536,507	96.89%	165,868	7,702,375	99.02%
2008	8,429,734	8,033,426	95.30%	152,729	8,186,155	97.11%
2009	8,418,398	7,954,419	94.49%	122,808	8,077,227	95.95%
2010	8,483,637	8,141,338	95.97%	81,158	8,222,496	96.92%
2011	8,314,639	7,974,603	95.91%	N/A	7,974,603	95.91%

Source: City of Kenner Finance Department

CITY OF KENNER, LOUISIANA
SCHEDULE 10 -- RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Governmental Activities							Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)	
	General Obligation Bonds	Sales Tax Revenue Bonds	Certificates of Indebtedness	LCDA Revenue Bonds	LDEQ Taxable Bonds	Notes Payable	Capital Lease Obligations	Other Obligations	Mortgage Payable				
2002	\$ 750,000	\$32,920,000	\$ 9,090,000	\$ -	\$ -	\$ 2,857,900	\$ 393,255	\$ 2,000,000	(2)	\$ 16,994	\$ 48,028,149	2.51%	681
2003	506,042	46,414,026	8,240,000	22,345,146	-	2,819,769	792,289	-	-	14,364	80,631,636	3.86%	1,143
2004	257,869	43,878,803	7,305,000	21,084,981	-	2,778,934	209,185	-	-	11,465	75,526,237	3.39%	1,071
2005	-	41,025,198	6,315,000	19,926,077	-	2,735,204	120,184	-	-	8,271	70,129,934	3.27%	998
2006	-	37,345,000	5,260,000	18,475,000	-	2,688,403	24,867	-	-	4,751	63,798,021	3.60%	913
2007	-	34,650,000	4,145,000	17,240,000	-	2,638,251	-	-	-	872	58,674,123	3.94%	881
2008	-	31,830,000	2,965,000	15,945,000	-	2,584,508	-	-	-	-	53,324,508	3.66%	818
2009	-	28,925,000	1,715,000	14,595,000	-	2,527,025	-	-	-	-	47,762,025	3.06%	729
2010	-	25,945,000	200,000	13,205,000	2,150,621	2,465,430	-	-	-	-	43,966,051	2.73%	648
2011	-	25,225,000	200,000	11,765,000	10,594,218	2,399,465	-	-	-	-	50,183,683	3.16%	752

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 15 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(2) Loan payable to Jefferson Parish.

CITY OF KENNER, LOUISIANA
SCHEDULE 11 -- RATIOS OF NET GENERAL BOND DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	General Bonded Debt Outstanding			Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Debt Service Monies Available	Net General Obligation Bonds Outstanding		
2002	\$ 750,000	\$ 226,621	\$ 523,379	0.01%	7.42
2003	510,000	170,992	339,008	0.01%	4.81
2004	260,000	126,956	133,044	0.00%	1.89
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

- (1) See Schedule 8 for property value data.
- (2) Population data can be found in Schedule 15.

CITY OF KENNER, LOUISIANA
SCHEDULE 12 -- DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2011
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Jefferson Parish	\$ 9,895,000	17.44%	\$ 1,725,688
Jefferson Parish Public School System	\$ 165,239,000	14.05%	<u>23,216,080</u>
Subtotal, overlapping debt			24,941,768
City direct debt			<u>50,183,683</u>
Total direct and overlapping debt			<u><u>\$ 75,125,451</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by Jefferson Parish. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Kenner. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

CITY OF KENNER, LOUISIANA
SCHEDULE 13 -- LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$ 140,164,740	\$ 144,708,253	\$ 151,463,225	\$ 151,463,225	\$ 142,414,138	\$ 144,588,450	\$ 155,948,658	\$ 199,702,228	\$ 200,740,573	\$ 197,441,907
Total net debt applicable to limit	10,888,036	32,395,307	5,908,911	4,739,322	3,642,404	2,471,122	1,884,798	608,953	(111,835)	(316,035)
Legal debt margin	\$ 129,276,704	\$ 112,312,946	\$ 145,554,314	\$ 146,723,903	\$ 138,771,734	\$ 142,117,328	\$ 154,063,860	\$ 199,093,275	\$ 200,852,408	\$ 197,757,942
Total net debt applicable to the limit as a percentage of debt limit	7.77%	22.39%	3.90%	3.13%	2.56%	1.71%	1.21%	0.30%	-0.06%	-0.16%

Legal Debt Margin Calculation for Fiscal Year 2011	
Assessed value	\$564,119,734
Debt limit -- 35% of assessed value	197,441,907
General obligation and excess revenue bonds	\$ 200,000
Less: amount available for repayment of general obligation and excess revenue bonds	516,035
Total net debt applicable to limit	(316,035)
Legal debt margin	\$197,757,942

Note: Louisiana R.S. 39:562 allows for a maximum of 10% of the assessed valuation for bonded debt for any one purpose or 35% of the total assessed value for all purposes

CITY OF KENNER, LOUISIANA
SCHEDULE 14 -- PLEDGED-REVENUE COVERAGE
LAST FIVE FISCAL YEARS
(Unaudited)

Fiscal Year	Sales Tax Bonds			
	Sales Tax Collections	Debt Service		Coverage
		Principal	Interest	
2007	\$ 13,162,726	\$ 2,695,000	\$ 1,353,895	3.25
2008	13,763,729	2,820,000	1,232,264	3.40
2009	12,247,404	2,905,000	1,117,164	3.04
2010	11,211,927	2,980,000	1,039,916	2.79
2011	11,798,565	720,000	954,489	7.05

NOTES: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Certain information for prior periods is not shown since it was not previously maintained by the City.

CITY OF KENNER, LOUISIANA
SCHEDULE 15 -- DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	(1) Population	Personal Income	(2) (4) Per Capita Personal Income	(3) Unemployment Rate
2002	\$ 70,517	\$ 1,916,652,060	\$ 30,088	4.6%
2003	70,517	2,088,219,921	30,532	4.9%
2004	70,517	2,227,279,445	31,867	4.1%
2005	70,252	2,142,896,756	25,333	5.4%
2006	69,911	1,771,055,363	25,333	5.7%
2007	66,592	1,487,332,320	22,335	4.9%
2008	65,202	1,456,286,670	22,335	4.6%
2009	65,527	1,558,363,114	23,782	7.3%
2010	67,842	1,613,418,444	23,782	8.1%
2011	66,702	1,586,306,964	23,782	8.0%

(1) Source: Louisiana Tech University for 2000; U.S. Census Bureau 2000 Census for 2001-2004; U.S. Census Bureau 2004 Population Estimate for 2005; U.S. Census Bureau 2005 Population Estimate for 2006; U.S. Census Bureau 2006-2008 American Community Survey Estimate for 2007-2010. Except for 2002-2010, the figures represent the City's population for the preceding calendar year.

(2) Source: Bureau of Economic Analysis, U.S. Department of Commerce. Figures apply to Jefferson Parish, in which the City of Kenner is an incorporated municipality.

(3) Source: Louisiana Department of Labor, Research and Statistical Division for calendar years. Figures apply to Jefferson Parish, in which the City of Kenner is an incorporated municipality.

(4) 2005 figure used for 2005 and 2006; 2007 figure used for 2007 and 2008; 2009 figure used for 2009 and 2010.

CITY OF KENNER, LOUISIANA
SCHEDULE 16 -- PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

Employer	June 30, 2011			June 30, 2002		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Treasure Chest Casino LLC	760	1	2.1%	**		
City of Kenner	702	2	1.9%			
Ochsner Medical Center	700	3	1.9%			
Cross Road Centers	600	4	1.6%			
Wal-Mart Stores Inc	570	5	1.6%			
Pellerin Milnor Corp	515	6	1.4%			
Fleming Construction Co.	215	7	0.6%			
Macy's Inc	200	8	0.5%			
Chateau Living Center	200	9	0.5%			
Delta Airlines	200	10	0.5%			
Total	4,662		12.75%	-		0.00%

** Certain information for prior periods is not shown since it was not previously maintained by the City.

Source: JEDCO, EDS Department

CITY OF KENNER, LOUISIANA
SCHEDULE 17 -- FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

Function/Program	Full-time Equivalent Employees as of June 30									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government	76	75	73	77	69	86	86	83	96	92
Public safety	389	381	411	382	344	356	364	354	331	332
Public works	162	158	154	168	101	99	108	114	73	72
Health and welfare	57	58	52	52	50	30	23	20	61	53
Culture and recreation	78	81	75	82	106	126	135	134	78	69
Transit and urban development	27	24	30	29	26	30	27	32	16	13
Miscellaneous										
Total	789	777	795	790	696	727	743	737	655	631

Source: City of Kenner payroll department.

CITY OF KENNER, LOUISIANA
SCHEDULE 18 -- OPERATING INDICATORS BY FUNCTION
LAST FOUR FISCAL YEARS
(Unaudited)

Function	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
Police				
Physical arrests	5,062	6,812	8,815	9,393
Parking violations	189	750	467	449
Traffic violations	13,393	14,391	17,692	20,242
Fire				
Emergency responses	3,400	3,705	3,588	3,454
Fires extinguished	242	191	137	186
Refuse collection				
Refuse collected (tons per day)	144	150	160	160
Recyclables collected (tons per month)	3,738	N/A	N/A	N/A
Other public works				
Street resurfacing (sq. ft.)	24,486	26,000	8,000	488,735
Potholes repaired	103	91	163	130
Wastewater				
Average daily sewage treatment (mil per day)	13.7	11.0	12.2	10.7

** Certain information for prior periods is not shown since it was not previously maintained by the City.

Source: City of Kenner Finance Department.
Information available for four years

CITY OF KENNER, LOUISIANA
SCHEDULE 19 -- CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

Function	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
Police										
Stations	2	1	1	1	1	1	1	1	1	1
Patrol units	**	**	**	**	**	**	180	221	204	201
Fire										
Stations	5	5	6	6	6	6	6	6	6	6
Pieces of equipment	19	19	20	21	21	21	21	23	23	23
Water										
Water mains (miles)	**	**	**	**	**	**	**	**	264	264
Fire hydrants	**	**	**	**	**	**	**	3,996	2,919	2,911
Storage capacity	**	**	**	**	**	**	**	**	**	**
(thousands of gallons)										
Other public works										
Streets (miles)	**	**	**	**	212	212	396	396	300	300
(1) Highways (miles)	**	**	**	**	**	**	**	**	10	10
Bridges	**	**	**	**	16	27	27	27	33	33
Streetlights	6,987	6,997	6,987	6,987	6,987	6,987	6,992	6,992	6,992	6,992
Traffic signals	**	**	**	**	**	**	18	19	19	19
Health and welfare	**	**	**	**	**	**	**	**	**	**
Culture and recreation										
Parks	2	3	3	3	3	3	3	3	3	3
Playgrounds	11	11	11	11	11	11	11	12	12	12
Art Galleries and Museums	8	8	10	10	10	10	10	10	6	6
Gymnasiums	10	10	10	10	10	10	10	11	11	11
Wastewater										
Sanitary and storm sewers (miles)	**	**	**	**	905	905	905	905	905	905
Treatment plants	2	2	2	2	2	2	1	1	1	1
Low-lift stations	77	79	76	77	77	77	79	79	79	79
Treatment capacity	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD

Source: City of Kenner finance department

** Certain information for prior periods is not shown since it was not previously maintained by the City.

(1) Highways are maintained by the State

For the items not recorded, information was not accumulated in those years.

SINGLE AUDIT

WILLIAM G. STAMM, C.P.A.
CLIFFORD J. GIFFIN, JR., C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
GUY L. DUPLANTIER, C.P.A.
MICHELLE H. CUNNINGHAM, C.P.A.
DENNIS W. DILLON, C.P.A.
GRADY C. LLOYD, III, C.P.A.

ANN H. HEBERT, C.P.A.
HENRY L. SILVIA, C.P.A.



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA. C.P.A.s

MICHAEL J. O'ROURKE, C.P.A.
DAVID A. BURGARD, C.P.A.

A.J. DUPLANTIER, JR., C.P.A.
(1919-1985)
FELIX J. HRAPMANN, JR., C.P.A.
(1919-1990)
WILLIAM R. HOGAN, JR., C.P.A.
(1920-1996)
JAMES MAHER, JR., C.P.A.
(1921-1999)

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

December 30, 2011

Honorable Mayor and Members of the Council
City of Kenner, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Kenner, Louisiana, as of and for the year ended June 30, 2011, which collectively comprise the City of Kenner, Louisiana's basic financial statements and have issued our report thereon dated December 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Kenner, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Kenner, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of City of Kenner, Louisiana's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Compliance and Other Matters

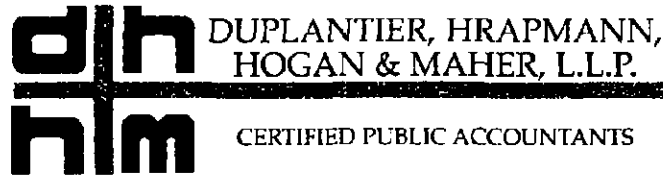
As part of obtaining reasonable assurance about whether City of Kenner, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, City Council, Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hupmann, Hogan & Maher LLP

WILLIAM G. STAMM, C.P.A.
CLIFFORD J. GIFFIN, JR., C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
GUY L. DUPLANTIER, C.P.A.
MICHELLE H. CUNNINGHAM, C.P.A.
DENNIS W. DILLON, C.P.A.
GRADY C. LLOYD, III, C.P.A.

ANN H. HEBERT, C.P.A.
HENRY L. SILVIA, C.P.A.



MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA. C.P.A.s

MICHAEL J. O'ROURKE, C.P.A.
DAVID A. BURCARD, C.P.A.

A.J. DUPLANTIER, JR., C.P.A.
(1919-1985)
FELIX J. HRAPMANN, JR., C.P.A.
(1919-1990)
WILLIAM R. HOGAN, JR., C.P.A.
(1920-1996)
JAMES MAHER, JR., C.P.A.
(1921-1999)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND
MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

December 30, 2011

Honorable Mayor and Members of the Council
City of Kenner, Louisiana

Compliance

We have audited the compliance of City of Kenner, Louisiana with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that could have a direct and material effect on each of City of Kenner, Louisiana's major federal programs for the year ended June 30, 2011. City of Kenner, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of City of Kenner, Louisiana's management. Our responsibility is to express an opinion on City of Kenner, Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Kenner, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City of Kenner, Louisiana's compliance with those requirements.

In our opinion, City of Kenner, Louisiana complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of City of Kenner, Louisiana is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered City of Kenner, Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing

procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Kenner, Louisiana's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, City Council, Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Logan & Maher LLP

**CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

<u>FEDERAL GRANTOR / PASS-THROUGH GRANTOR / PROGRAM TITLE</u>	<u>FEDERAL CTDA NUMBER</u>	<u>GRANT</u>	<u>2011 FEDERAL EXPENDITURES</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct Programs:			
Community Development Block Grant*	14 218	B-08-MC-22-0008	224,304
Community Development Block Grant*	14 218	B-09-MC-22-0008	404,506
ARRA - Community Development Block Grant Recovery*	14 253	B-09-MY-22-0008	132,814
			<u>761,644</u>
Passed through Jefferson Parish:			
Home Investment Partnership Program (HOME)	14 239	Unavailable	90,751
ARRA-Homelessness Prevention and Rapid Re-Housing Emergency Shelter Grants Program	14 257 14 231	CFMS/#685496 CFMS/#679225	102,632 9,795
			<u>112,427</u>
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>964,822</u>
DEPARTMENT OF JUSTICE			
Edward Byrne Memorial Justice Assistance Grant Program:			
Direct	16 738	2009-DJ-BX-0748	20,798
Passed Through Louisiana Commission Law Enforcement: Street Sales Disruption	16 738	B-09-7-008	11,251
			<u>35,049</u>
Passed Through Louisiana Commission Law Enforcement:			
ARRA-Criminal Justice Technology Grant	16 803	B-82-8-047	2,684
Municipal Narcotics Task Force Grant	16 579	B-08-7-001	14,547
Crime Victim Assistance Program	16 575	C-09-7-022	6,000
Crime Victim Assistance Program	16 575	C-10-7-021	8,541
			<u>31,775</u>
Direct			
ARRA-Edward Byrne Memorial Justice Assistance Grant	16 804	2009-SB-B9-0324	12,952
ARRA-Public Safety Partnership and Community Policing Grant*	16 710	2009-RK-WX-0384	371,729
Bulletproof Vest Partnership Grant Program	16 607	Unavailable	6,497
			<u>391,178</u>
TOTAL DEPARTMENT OF JUSTICE			<u>458,002</u>
DEPARTMENT OF HOMELAND SECURITY			
Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness:			
Disaster Grants - Public Assistance - Katrina *	97 036	1603-DR-LA	763,962
TOTAL DEPARTMENT OF HOMELAND SECURITY			<u>763,962</u>
DEPARTMENT OF ENERGY			
Direct			
ARRA - Energy Efficiency and Conservation Block	81 128	DE-SC0092102	145,339
TOTAL DEPARTMENT OF ENERGY			<u>145,339</u>
DEPARTMENT OF TRANSPORTATION			
Passed Through the Regional Transit Authority			
Operating Assistance	20 507	LA-90-X038	273,134
Passed Through Louisiana Department of Public Safety and Corrections:			
State Traffic Safety Information System Improvements	20 610	K9-2010-07-06	4,000
TOTAL DEPARTMENT OF TRANSPORTATION			<u>277,134</u>
ENVIRONMENTAL PROTECTION AGENCY			
Passed Through the Louisiana Department of Environmental Quality			
Loan from Louisiana Municipal Revolving Loan Fund*	66 458	Unavailable	8,459,187
TOTAL ENVIRONMENTAL PROTECTION AGENCY			<u>8,459,187</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 11,068,446</u>

* This program is considered a "major" program under OMB Circular A-133

The accompanying Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

CITY OF KENNER, LOUISIANA
NOTES TO SCHEDULE OF FEDERAL AWARD EXPENDITURES
JUNE 30, 2011

NOTE A - SCOPE OF AUDIT PURSUANT TO GOVERNMENT AUDITING STANDARDS, OMB CIRCULAR A-133, "AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS" AND THE SINGLE AUDIT ACT OF 1984 AND 1996 AMENDMENTS

All federal grant operations of the City of Kenner, Louisiana, are included in the scope of the single audit. Those programs which were major grants and which were selected for specific testing included:

1. **Department of Homeland Security**
Disaster Grant – Public Assistance (Disaster # 1603 - Hurricane Katrina)
2. **Department of Housing and Urban Development**
Community Development Block Grant
ARRA – Community Development Block Grant Recovery
3. **Department of Justice**
ARRA – Public Safety Partnership and Community Policing Grant
4. **Environmental Protection Agency**
Municipal Revolving Loan

NOTE B - FISCAL PERIOD AUDITED

Single audit testing procedures were performed for program transactions occurring during the year ended June 30, 2011.

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the City has met the qualifications for the respective grants. Several programs are funded jointly by State of Louisiana appropriations and federal funds. Costs incurred in programs partially funded by federal grants are applied against federal grant funds to the extent of revenue available when they properly apply to the grant.

2. **Accrued and Deferred Reimbursement**

Various reimbursement procedures are used for federal awards received by the City. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over cash reimbursements received. Generally, accrued balances caused by differences in the timing of cash reimbursements and expenditures will be reversed in the remaining grant period.

**CITY OF KENNER, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Kenner, Louisiana.
2. No control deficiencies relating to the audit of the financial statements are reported in the *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of City of Kenner, Louisiana, which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.
4. No control deficiencies relating to the audit of internal control over major federal award programs are reported in the *Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for the City of Kenner, Louisiana expresses an unqualified opinion on all major federal programs.
6. The audit disclosed no findings which are required to be reported by OMB Circular A-133.
7. The programs tested as major programs include:

CFDA Number/Grant Number

Disaster Grant – Public Assistance Grant	97.036
Community Development Block Grant	14.218
ARRA – Community Block Grant Recovery	14.253
ARRA – Public Safety Partnership and Community Policing Program	16.710
Municipal Revolving Loan Fund	66.458

8. The threshold for distinguishing Types A and B programs was \$331,586.
9. City of Kenner, Louisiana qualified as a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

Compliance:

No findings noted.

Internal Control:

No findings noted.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No findings noted.

**CITY OF KENNER, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011**

A. FINDINGS RELATED TO FINANCIAL STATEMENT AUDIT

(10-01)

During the audit it was noted that the one percent sales tax fund of 1984, community development block grant fund, and the fire protection fund actual revenues fell below budgeted revenues by more than 5%. When management became aware that budgeted revenues had substantially decreased, management submitted budget amendments that were adopted by the Council in June 2010. Subsequent to year end, management became aware that actual revenues actually had decreased even more than estimated when the budget amendments were proposed. This decrease was mainly attributable to the significant decreases in sales tax revenues for the months of May and June 2010. The Louisiana Budget Act requires that the budget be amended when revenues fall below 5% of the budgeted amount. Management amended the budget when they became aware that projected revenues fell below 5% of budgeted revenues. However, the actual revenue amounts still fell below 5% of the amended budgeted amounts. A similar finding was noted in prior year.

We recommended that management continually monitor the budget and amend when required by law. Management has indicated they were aware of the significant decrease in revenues which resulted in the process of amending the budget. However, they did not anticipate the additional significant decline in sales tax revenues beyond their estimates. Management has indicated they will continue to monitor the process and amend as required by law. Additionally, management did not believe amending the budget subsequent to year end would enhance the budget process. A similar finding was noted in the current year. This finding did not occur in the fiscal year ended June 30, 2011.

**A. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

(10-02)

It was noted during the audit that all quarterly reports in fiscal year 2010 for the Department of Homeland Security Disaster Grants were filed at least two weeks after the reporting deadline. The quarterly reports are due to the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) fifteen days after the end of each quarter and should be filed within this timeframe. The reports were filed late due to time constraints of the party responsible for filing the reports. *Failure to file the quarterly reports in a timely manner results in non-compliance with the terms of this grant.* We recommend that that City file the quarterly reports timely in the future. There are no questioned costs associated with this finding. During the fiscal year ended June 30, 2011, quarterly reports were submitted timely.